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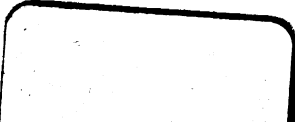
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GOODRICH

EXPOSITION OF THE
J.D. & M. WILLIAMS FRAUD

1866



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EXPOSITION

OF THE

22 - 1 - 1866

J. D. & M. WILLIAMS FRAUD,

AND

OF ITS SETTLEMENT;

THE CHENERY & CO. FRAUD,

AND

REMOVAL OF TIMOTHY B. DIX, AND HON. SAMUEL HOOPER'S
EXTRAORDINARY REPORT THEREON;

AND OTHER

MATTERS AT THE BOSTON CUSTOM HOUSE.

By J. Z. GOODRICH,

WHO SUBMITS THE WHOLE AS AN ANSWER TO ALL SPECIFIC CHARGES
AGAINST HIM, AND A VINDICATION OF HIS GENERAL CONDUCT
AND POLICY AS COLLECTOR.

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Gift of
Chas. W. Bradbury
of Cambridge

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TO THE PUBLIC.

That somebody, properly or improperly, has attempted to impress the public with the belief that I was guilty of gross official misconduct during the latter part of my term of office as Collector of this Port, scarcely any one, I suppose, is ignorant. The complaint against me began earlier in certain quarters, by denying that I had the "commercial experience" required for the proper performance of the duties of Collector. Representations like these were made at Washington as well as here, and so much credit had been given to them here, that it was said, about the time of my removal, even by those who accorded to me the "highest integrity," that "for the want of commercial experience (my) administration at the Custom House had been marked by *errors* which made (me) unpopular." That there had long been a growing unpopularity on my part with a certain class of importers and a certain public man, — though I could very easily have made myself their special favorite, — I know very well. I also know that I can point to all these so called "errors," and state precisely what they were. But whether they could have been "corrected" satisfactorily to the parties, by any amount of "commercial experience" without the aid of certain "mercantile usages" outside the range of commercial *integrity*, every reader will judge for himself. The class referred to quite too often confounded so called "errors," which resulted from the want of commercial integrity, with what they called "mercantile usage," and it was in that way, I think it will be found, that there came to be so many "marked" errors in my administration.

But at length the assault upon me assumed the form, either by insinuation, rumor, or direct charge, of gross official misconduct, and so much has been said to impeach not merely the *correctness*, but the *integrity* of my "administration at the Custom House," that I deem it my duty to myself and the public to submit such a statement as will present matters in their true light, which I now proceed to do.

SUSPICIONS AND RUMORS.

The following appeared in the *Boston Journal* of the 27th of November, as part of a despatch from its Washington correspondent "Perley": —

"Some of the officials of the Treasury Department here are anxious to know the result of certain investigations now being made at Boston into the distribution of a heavy penalty collected from an importer of French wines."

Mark the language of this despatch: "into the distribution of a heavy penalty *collected*." The implication is that the amount *collected* had not been properly distributed or *accounted* for, and that that was the reason the Department had ordered an investigation. Its officials spoke freely to newspaper correspondents of the investigation, and

doubtless with the expectation that the matter would through them be brought to the notice of the Boston public. It may therefore be regarded as a semi-official despatch, which everybody understood to refer to the J. D. & M. Williams fraud; to me as the accounting officer; and to an investigation before the Grand Jury.

The Boston *Traveller* of the 1st of December, said on the same subject:—

“It is well known that a wealthy firm in this city, engaged in the wine and spirit business, was detected in defrauding the Government by false invoices. In order to settle the claims made upon it, the firm at different times paid \$157,000, but of this sum the Government received only \$127,000, leaving \$30,000 to be accounted for.

“Now the question is, what became of this sum? As the reputation of certain parties has been implicated, we understand the subject has been brought before the Grand Jury, with a view of having it legally investigated. It is alleged that the \$30,000 was pocketed by *high officials*.”

Every merchant knows that if any money was paid in the settlement referred to, which *should* have been accounted for, but was *not*, it was paid to me as Collector, or with my knowledge and consent paid to somebody else. Of course I am, if not *the only* party, a party whose “reputation” is directly “implicated.”

The Boston *Commonwealth* of the 2d December, says:—

“For some time past there have been rumors throughout the commercial community of this city to the effect that a considerable portion of a fine paid by a leading wine-importing house for a violation of the revenue laws *had not been accounted for*; and there have been grave suspicions whispered that the missing money had found its way into the hands of the late Collector, Hon. John Z. Goodrich, or some of his associates. * * This rumor in time found its way to Washington, and in some minds was associated with the recent change of incumbents in the responsible position of Collector. * * That Mr. Goodrich has been deeply injured by this rumor even in circles where it should be otherwise, we apprehend, from what we have heard, to be without doubt.” The same paper further speaks of it as “the unfavorable rumor *so generally* associated with the name of Mr. Goodrich. * * The Grand Jury of this District is now giving it close attention.”

Here the rumor or charge is that a considerable portion of a fine paid by a leading wine-importing house had not been accounted for, and that it was gravely suspected that the missing money had found its way into my pocket.

I do not understand any of these papers as intending to vouch for the truth of the statements they publish, but as merely repeating what had become common rumor. The charge had been made and repeated in conversations much earlier, and there would be no difficulty, if that were my present purpose, in tracing it to a responsible author. It found its way, according to one of the quoted extracts, to Washington, and was associated in some minds with the recent change in the office of Collector; that is, that it was the cause of my removal. And it may not be improper for me to state, what I learned from two or three members of Congress, that in August, 1865, a short time before my removal, Hon. Samuel Hooper stated at an informal meeting of several members of the Massachusetts delegation, that he had received a letter from Mr. McCulloch, Secretary of the Treasury, informing him that a removal of the Collector had been de-

cided on, and requested a recommendation by the delegation of another man for the office. The letter was not shown, it being, as Mr. Hooper stated, a private and confidential one to him. The other members advised, and some of them very strongly, against a removal, but Mr. Hooper said they had not been requested to express an opinion on that question, and added that Mr. Goodrich did not stand well at the Department, and, referring to the settlement of the J. D. & M. Williams fraud, said the Department thought there was something wrong about it. This was the idea conveyed. Other remarks were made by Mr. Hooper in reference to my connection with said settlement, which I do not here repeat. One of the delegation, as he informed me, made this reply: "This cannot be so. Mr. Goodrich has not taken money which he has not accounted for; he is honest, and incapable of doing anything of the kind, and if it were otherwise, he is not such a fool as to take it in a case where it could be so easily found out." This I should not repeat, if it did not indicate so unmistakably the tenor of the statement to which it was a reply. This Williams matter was discussed at this conference, and it was understood, as some of the delegation informed me, to be a cause of removal. No other, as I understood them, was assigned.

The following are extracts from the testimony of Mr. Moses B. Williams, one of the firm of J. D. & M. Williams:—

"A claim was made upon our firm during the year 1865 in behalf of the U. S. Government, for sums alleged to be due on account of previous importations of wine by our firm. There were two claims made, both of which were settled. Receipts were given by the Collector, or the Deputy Collector, to us for the money paid to the Government. The first receipt I cannot find, but the amount receipted for was \$25,224, paid I think in the afternoon of March 28, 1865. The second receipt I here produce, dated May 8, 1865, for one hundred thousand dollars. We paid the money in the settlement of both the claims to Mr. Samuel A. Way. Mr. Way acted as our agent, and represented our firm in what he did. We paid Mr. Way not varying far from \$157,000. We paid first \$29,224, and got a receipt for \$25,244. A portion of the \$157,000 was paid between these dates—I mean the dates of the two receipts—and the balance at the time of settlement. We paid \$7,000 to Mr. Way on the 2d of May, 1865. I did understand at the time said payments were made that \$125,244 was all that was received by the Collector in settlement of said claims with the Government, and I have never made any statements to the contrary. It was not represented to me, nor did I understand that any portion of the excess over \$125,244 was to be paid to Mr. Goodrich, the Collector. I am the member of the firm by whom said negotiations were conducted and settlements made. Not a particle of this money, nor any money, so far as I understood, was paid to Mr. Way by us for his services in the matter.

"We had a correspondence with the Secretary of the Treasury in reference to the settlement of said claims. I should decline to produce it without the permission of the Secretary of the Treasury. (Adjourned for one day.) Having thought the matter over since yesterday, I have come to the conclusion to decline to produce the correspondence asked for. (On being told by the magistrate that it was his duty to produce it, adjourned again at request of Mr. Williams to enable him to consult counsel.) The date of the letter we received from the Secretary of the Treasury was the 5th of June, 1865. My answer was dated on the 12th of the same month. It was in the name of my firm. The correspondence was a confidential one, and I must still decline to produce it." (The matter was not pressed further.)

Extract of a letter from Mr. Samuel A. Way, dated December 19th, 1865:—

"It is simple justice to Mr. Goodrich for me to say that I never paid him, or know of his being paid, one dollar, either directly or indirectly; and I am confident he never received from Messrs. Williams & Co., or any one else, any sum of money on account of settlement or anything connected therewith.

"I write this without the knowledge of Mr. Goodrich or any of his friends."

Next I owe it to myself and the public to exhibit the

EVIDENCE OF THE FRAUD.

The history of the origin and practice of this great fraud upon the revenue of the United States, by a firm that has for so many decades taken first rank among the most respectable houses of Boston, will form an instructive, and in some sense an interesting chapter in the commercial annals of the country; a chapter which I would willingly have allowed to remain unwritten, had not the Messrs. Williams themselves raised an issue which can be met in no other way. They have sought, and I believe still seek, — though convicted by their own tacit confession of their guilt, — to blind the eyes of a credulous public by the plausible pretext that they have been made the victims of persecution. It is not long since one of the largest capitalists in State Street remarked to me that he thought the treatment they had received from the Government was all wrong, as it would have been if the information he had derived from them direct, or through others, had been correct. And it was only a few weeks ago that Mr. Williams, senior, protested to one of the most intelligent and respectable merchants of Boston that they were innocent, and said he could convince him that they were, adding, that not they, but those who had taken their money, were in the wrong. They have taken great pains to create the impression that they paid a large sum in settlement, not because they had really defrauded the Government, but to avoid a long and vexatious lawsuit, which would have been especially annoying to the senior in the firm.

As a full and complete answer to all this, I invite public attention to the following facts, first premising that the information which led to the discovery and proof of the fraud, was furnished by Mr. W. B. Farwell, of San Francisco, who had been to France as the special agent of the Department. The proof was mainly derived from the books of the Messrs. Williams themselves, obtained by warrant from the District Judge on application from the Collector.

F A C T S .

Prior to 1846, for several years Messrs. J. D. & M. Williams had regularly received from L. Roederer, the manufacturer, at Reims in France, shipments of champagne wine, familiarly known in Boston as the "Schreider brand." This wine was obtained by purchase from Roederer under a contract entered into in 1841. The price paid was \$9 per dozen for quarts, and \$10 for pints, deducting therefrom the costs of importation, such as freight, &c., and remitting the net amount so arrived at to Roederer on the receipt of each invoice or shipment.

In July, 1846, Congress enacted a new tariff which changed the duty on champagne from forty cents per gallon, specific, to forty per cent. *ad valorem*, which act took effect the following December. Prior to

this, all the champagne thus imported by the Messrs. Williams was invoiced at \$ 9 and \$ 10, as the actual foreign market value. The duty being then specific, no reason existed for any other than the correct market value being named in the invoices.

From this date the story is best told from the letter books of the Messrs. Williams themselves. I quote from page 404 of letter book E. Under date of Boston, July 31st, 1846, they wrote Roederer as follows :—

“The proposed tariff bill, which we named in our last, has passed the Senate and will become a law, taking effect on and after December first next. The new duty on champagne wine is forty per cent. *ad valorem*, instead of the present specific duty of 40 cents per gallon, and 25 cents per dozen for bottles, which is about \$ 1.15 to \$ 1.25 per basket for whole bottles, and \$ 1.40 to \$ 1.50 for pint bottles, depending whether the dozen is estimated to contain 2½ gals. or 2¼ gals. Messrs. Piper & Co. have invoiced their wines at f. 2.50 (2½ francs) or f. 30 (30 francs) per basket on board, both for whole and half bottles, and have sent a consular certificate to that effect; if you should do the same the new duty would be forty per cent. on f. 30 (30 francs), say 12 francs, or about double the present duty. The law has passed the present week, and we havenot been able to see it. We will write to you again on the subject by the next steamer. . . . Yqur next shipment had better be accompanied by a consular certificate, you swearing to the invoice, *which is to be made at as low a rate as your conscience will allow*. That there may be a uniform course pursued by your houses at Reims, you had better consult with Piper & Co. and some of the other houses who ship much to this country, that there may be some uniform invoice price adopted by them on wine which is shipped here on their own account. *Your own discretion* will however tell you if this is advisable.”

Again on the 15th of August, 1846, they wrote to Roederer, as appears by their letter book E, page 413, as follows :—

“The new tariff fixes the duty on all wines at forty per cent. *ad valorem*; on bottles, corks, and baskets at thirty per cent. *ad valorem*. We hope that the order which we gave you on the 15th of July for twelve hundred and fifty baskets of wine, will be executed and arrive here previous to December 1st, at which date the new duties take effect. But, in order to be prepared for any accident, *you had better invoice this shipment at as low a rate as your conscience will allow you to swear to it*, because it must be accompanied by a consular certificate. We named in our last that Piper & Co. invoiced their wines at thirty francs per basket, on board at Havre. The principal houses at Reims had better adopt some system of invoicing; we mean those houses who ship much to New York and Boston, but you and Piper ship much more than any other houses. If you conclude to invoice the wine at thirty francs per basket on board, you must make the invoice in the following manner :—

“Invoice of ——— baskets of Champagne wine, shipped per ship ———, for account of myself, and consigned to John D. & M. Williams and Edward Codman & Co., for sale, or for their acceptance.

“C & W No. — to No. —, 1250 baskets Champagne wine, viz. : the wine at 23f. each; the bottles, corks, and baskets at 7f., 30 francs per basket on board at Havre. f. 37,500.

“The duties will then be cast on the wine valued at 23 francs, at forty per cent., and the bottles, corks, and baskets at 7 francs, thirty per cent.”

Up to this time all wines received by Messrs. J. D. & M. Williams had been forwarded as regular purchases, as per invoices in the Custom House. From the form of invoice given in the last letter, it will be seen that to aid in covering up the fraud, Roederer was instructed to make his invoices as consignments, although, as shown, they were actually purchased.

On the 15th of September, 1846, they wrote to Roederer, as appears by their letter book E, page 431, as follows :—

“ We hope that our last order for wine may be executed and forwarded immediately, so as to arrive before the first of December, when the new duties take effect.

“ We shall soon be wanting more wine, and we would like to know if you can make any discount from the net amount which you *now* receive for the same quality of wine, after the *new tariff* takes effect. We ask this question because we are confident that we shall not be able to obtain an advance price equivalent to the increase of duty after December 1st, next.”

To this letter, under date of October 4th, 1846, Roederer responded as follows :—

* * * * *

“ It is well understood that the accident of new duties falls to your charge, if unfortunately the ship should be retained and not arrive before the 1st of December next. This is in all justice and equity, and you have promised it in one of your last letters,

“ Your question relative to a diminution of price is consequently answered in advance, and I refer again upon this subject to my former letters, viz. : that of 29th of August, &c. Since that letter, a vintage of excellent quality but of little product and of an exorbitantly dear price, has made it more impossible than ever for me to make the smallest concession, and I regret it infinitely, gentlemen, for I have always the liveliest desire to be agreeable to you, and to contribute as much as possible to the greatest extension of my relations with your honorable house.

“ But if you wish that I continue to send you that excellent quality that I have been in the habit of furnishing, and which still distinguishes my shipment of to-day, it is absolutely necessary that you add to the price of \$9 for the bottles, and \$10 for the half bottles, the augmentation of the duties of the new tariff, and it will be necessary to take for a base the price named in the *fictional invoice which accompanies the wines*, that is to say, 35 francs per basket, on board at Havre.” * * * * *

Mr. Roederer being thus fixed in his prices, Messrs. Williams and Codman continued to receive the wine upon the old conditions, with the advantage of the reduced price in the false invoice for each shipment for use at the Custom House. At first Roederer decided that he could not put the price in the false invoice at 30 francs, as they had requested, and proposed to make it 35 francs, but finally acceded to this request, and made up his false invoices for the Custom House at 30 francs, *which was \$5.58 per basket, instead of \$9 and \$10, the price actually paid, less charges.*

In various other letters the Messrs. Williams instruct Roederer how to invoice his wine, and the latter responds as follows :—

“ With this you will find the invoice of the 1567 baskets which are going to leave Havre the 20th inst. () on board the Versailles. Have the kindness to credit me with this shipment for \$14,570, payable as usual. M. Ludin — the shipping agent at Havre — will join to this letter (which will leave by the Versailles) an invoice legalized by the American consul; a *fictional invoice which I have made according to your instructions*, and in accord with Messrs. Piper & Co., in French, as is their custom to do. I hope this will satisfy you in all respects.”

This, however, did not quite satisfy the Messrs. Williams “ *in all respects,*” for under date of April 30th, 1847 (letter book F, page 44), they replied as follows :—

"The form of the invoice as directed in ours of the 31st of March, we believe to be the best that you can adopt until we find some reason to change it, but we want you to swear to the invoice instead of Mr. Ludin. You can swear to it before a magistrate in your own place, and the American consul must certify that due credit is to be given to such magistrate."

In a spirit of reciprocal accommodation Mr. Roederer, from this time on up to the spring of 1865, complied with this request, and throughout 1847 he wrote, with every shipment, letters in which appear such expressions as these:—

Under date of January 6th, 1847:—

"Here is the invoice, and the *fictitious invoice*, of the 1170 baskets. The genuine invoice amounts to \$10,700, which you will please carry to my credit upon the old conditions."

Another letter:—

"To-day I have the pleasure to remit to you the invoice of the 488 baskets, which are going to leave the 15th inst. (July, 1847), on board the Wm. Goddard. Will you credit me with this shipment for \$4,480, upon the ordinary conditions? *A fictitious invoice you will be provided with at the same time through Mr. Ludin.*"

Under date of October 11th, 1847:—

"I have herewith the honor to send the invoice of the 527 baskets ordered the 14th of August, amounting to \$4,850, and payable upon the ordinary conditions. *A fictitious invoice, conveniently legalized, you will receive through Mr. Ludin.*"

The Messrs. Williams, on the 14th of August, 1847, wrote Mr. Roederer (letter book F, page 102,) as follows:—

"We would like some wine, but should be glad to have it come direct to Boston. *We get along better with the Custom House here in Boston than in New York.* * * * Let the invoice and all the verifications be the same as those by the Versailles. You can make no improvement in these forms."

Again, later, they say:—

"We hope that you may be able to ship us some by the Moselle, particularly the half bottles, *which are passed by us in Boston at twenty cents per basket less than in New York.* There are also some other advantages in having the wine come directly into Boston."

On the subject of double invoices, the Messrs. Williams finally wrote Roederer on the 15th of November, 1847, as appears by their letter book F, page 162, as follows:—

"*In your future shipments, we think it best that you should send only the invoice for the Custom House, and make no reference in your letters to any other price, but simply say in your letters that you inclose to us the invoice of the wine, with consular certificates, &c., shipped on your account according to existing agreement.*"

To this, Roederer responded as follows:—

"My next will remit to you the legalized invoice for the Custom House, and, following your wishes, I will make no reference to any other invoice."

From that time to 1865, no other invoice than the fictitious one made for use at the Custom House, was sent. For nearly nineteen years the system of fraud thus inaugurated ran smoothly. Long

and successful habit had so sanctioned the practice, that doubtless it entered as much into the basis upon which business was done by this house, as any other element of its commercial ethics. It came down, literally, from father to son.

The following is an extract from the oath that was taken in each importation by one of the firm:—

“I ——— do solemnly and truly swear that the invoice now produced by me to the Collector, is the true and only invoice received; * * that I do not know or believe in the existence of any other invoice of the said goods, wares, and merchandise; that the entry now delivered to the Collector contains a just and true account of the said goods, wares, and merchandise, according to the said invoice; that nothing has been, on my part, nor to my knowledge on the part of any other person, concealed or suppressed, whereby the United States may be defrauded of *any part* of the duty lawfully due. * * And I do further solemnly swear, that to the best of my knowledge and belief, the invoice now produced by me exhibits the actual cost or fair market value at ———, of the said goods, wares, and merchandise.”

SHERRY WINES.

This house also imported, and entered at fraudulent prices, the well known Sherry wines, as their books showed, and as they themselves confessed, by the prompt payment of \$25,224, being the amount of three invoices, viz.:—

One October, 1863	\$8,808
One January, 1864	4,156
One April, 1864	12,260

\$25,224

There were double invoices in each case—one for the Custom House and one to settle by. This was discovered very soon after entering upon an examination of their books. They requested an interview, and Mr. Williams, senior, Moses B. Williams, and Mr. Corey, met the Collector, Naval Officer, and others, at the Custom House after the close of business hours the 27th of March, 1865. Mr. Williams, senior's, first excuse was that they were consignees. But it soon appeared from answers to two or three questions, that they were purchasers, and paid no attention to the invoice price in making remittances for their wines. They then proposed to pay the amount of these invoices, and deposited the same afternoon United States 7 3-10 bonds sufficient to cover the amount, and redeemed them by paying the money on the opening of the Banks the next day, which was March 28th.

Most of the facts in regard to the Champagne were discovered after this, and a word more remains to be said of this head. Official investigations, set on foot within the previous two years, showed that Champagne wines were being imported at fraudulent prices. Seizures were made at San Francisco and New York. These alarmed Mr. Roederer, who, in a letter to the Messrs. Williams, under date of Reims, June 1, 1864, wrote to them as follows:—

“In remitting herewith a copy of my last letter, I believe that I ought to ask if the seizures which have been made in New York, of wines which the Custom House pretends are invoiced too low, renders necessary any change whatever in the prices in the invoices which I shall address to you in the future.

“If, according to custom, you address me an order for a shipment direct,—

which will probably take place about the first of July, — have the kindness to add your instructions upon this subject, for I desire that your interests shall be protected, and you know better than I under what circumstances the seizures in question have been made.”

This elicited no reply ; and on the 21st of December, 1864, Roederer again wrote : —

“ I had hoped to receive from you new instructions upon the subject of the value which it is necessary to indicate in my invoices for the wines which you order.

“ The seizures which the Custom House has made render necessary the greatest precautions, and as the shipment is always made at *your risks and perils*, I cannot put the wines *en route* and make the invoices at the old price, for fear of exposing you to trouble.”

To this the Messrs. Williams replied as follows : —

“ It may be well to add two francs to the prices of each wines. * * * * We think *we* should have had no difficulty with *the old way of invoicing*, but as the other houses are troubled, and as they are all making their invoices higher, you had better make the change which we propose, as a matter of consistency with others.”

Thus stood the matter when this long practised fraud was brought to light. The amount of Champagne wines alone, entered at the Custom House between 1846 and 1865, by this old and wealthy house; at a fraudulent undervaluation, was over two million and two hundred thousand dollars, as shown by their own books.]

THE SETTLEMENT.

Hon. Alpheus Hardy, at the request of Mr. Williams, senior, as he said, called at the Custom House to confer with me upon the subject of the alleged fraud, and the probable terms upon which it might be settled. Mr. Samuel A. Way had before offered, by authority, as he said, \$100,000, which no one then proposed to entertain or even consider. Mr. Hardy was strongly impressed with a belief of Mr. Williams's innocence, from explanations he had made to him the previous evening. I presented the case and the correspondence to him very much as detailed above, and he reported to Mr. Williams, and saw me again two or three times on the subject. The sums named within which a settlement might possibly be made were \$300,000 to \$500,000, but I told him I had no authority to determine the amount. It was then supposed they were liable for the whole amount of the invoices, ascertained then to be about \$1,500,000, but soon afterwards to exceed \$2,200,000. About this time Mr. Hardy retired, and Mr. Way again appeared as the friend of the Messrs. Williams, and was persistent and active in their behalf, and repeated the offer of \$100,000. As I had no authority to settle or compromise, I deemed it my duty to present the question to the Secretary, and did so. Soon after Mr. Jordon, the Solicitor of the Treasury, visited Boston to advise in the matter. After laying before him all the facts, the question arose, what sum should be accepted of the Messrs. Williams in settlement. A conference on the subject was had between the Solicitor, Mr. Farwell, who had aided the Government in the investigation, Mr. Tuck, the Naval Officer, and myself. I stated in substance that I would not oppose a settlement, but my opinion was that a thorough exami-

nation before a court and jury would do more to prevent similar frauds, in the future, than any amount of money that could be obtained by compromise. Others thought it would be decidedly better for the Government to adjust the matter by compromise, but no one named less than \$800,000. Finally, the sum of \$350,000 was agreed upon as the lowest that should be offered in settlement. I concurred in a settlement on this basis, though I had favored a larger sum. The Solicitor then had an interview with the Messrs. Williams at their counting room, and offered to accept \$350,000 and discharge the claim. The offer was declined. I was then authorized to compromise for that sum, and, if not paid, directed to report the case to the District Attorney for prosecution, and the Solicitor returned to Washington, supposing all the statutes of limitations had been repealed, and that the Williamses were liable for the whole amount of the importations back to 1846. The negotiation proceeded upon the idea that they were thus liable, — they offering \$100,000, and the Government asking \$350,000. At length it was discovered that by mistake one of the statutes of limitations had not been repealed, and that consequently there could be no claim on importations which had been made more than five years. The importations within five years amounted to about \$550,000. The claim of the Government was thus reduced from over \$2,200,000 to that sum. This I did not regard as a reason why it should be settled for less than the sum before named, viz., \$350,000. But Mr. Farwell and Mr. Tuck thought otherwise, and favored a reduction at first to about \$200,000 or \$250,000. Mr. Way was untiring in his efforts to induce an acceptance of \$100,000 in settlement, and at length Mr. Farwell and Mr. Tuck deemed it best to accept that sum, and proposed that Mr. F. should go to Washington and present to the Secretary and Solicitor the reasons which had induced them finally to favor a compromise for \$100,000, and obtain the Secretary's authority to accept that sum if he should concur in their views. Prominent among these reasons were those given by Mr. Tuck in his published letter, viz., "I fully believed," to quote his own words, "though the facts showed a larger amount due, that the sums paid, being in the aggregate \$125,224, were the maximum which the Government could recover, without protracted litigation, and without the delays and hazards to success which wealth and influence can always command." I did not give the weight to these views which they did, but was willing Mr. Farwell should present the whole case to the Secretary. He then prepared a paper addressed to the Secretary, designed for my signature, Mr. Tuck's, and his own, recommending a compromise for \$100,000. This I declined to sign in the form of a recommendation, as I did not wish to express an opinion that it ought to be so settled, for my views were clear that it ought not to be; but I was willing to concur in a reference of the matter to the Department, and to express my acquiescence in the proposition to accept \$100,000 if it should deem a settlement on those terms advisable. Mr. Farwell then altered the paper so as to express substantially that idea, and I signed it. But on further reflection, and before Mr. Farwell had reached Washington, I decided to telegraph the Department and advise against the terms proposed, and did so, and then expressed very decidedly the same opinion by letter. On the morning of the 6th of May Mr. Farwell returned, and informed

me that the Secretary had decided to accept the \$100,000, and the next day the mail brought a letter from the Solicitor, of which the following is a copy: —

“TREASURY DEPARTMENT,
Solicitor’s Office, May 6, 1865. } ”

“Sir, — I have submitted to the Secretary of the Treasury the facts and papers relative to the frauds committed by J. D. & M. Williams and Edward Codman & Co., in the importation at Boston of wines and other merchandise for a series of years past, and the proposal of the parties implicated to pay the sum of one hundred thousand dollars, in satisfaction of all claims which the United States may have, for duties, fines, penalties, and forfeitures arising upon said importations or incurred by reason of the frauds therein, or other improper conduct in relation thereto, and the Secretary having examined the subject, directs me to instruct you to accept the compromise proposed. I have therefore to say that you are hereby authorized and directed to accept and receive from the parties in question, the sum of one hundred thousand dollars in United States legal tender notes, in full satisfaction and discharge of all claims of the United States arising out of the importations referred to, or out of the acts of any and all the parties interested therein, or in relation thereto; and that you will dispose of said sum according to law.

“Very respectfully,

“EDWARD JORDON, Solicitor.

“J. Z. GOODRICH, Esq., Collector of Customs, Boston.”

I still hesitated, and on this, to me, very strong ground, viz., that it was not half the amount of the duties that had been unlawfully withheld, with the interest. During the progress of the negotiation, occupying some five weeks, Mr. Farwell, at my request, had computed the amount that the Messrs. Williams had saved in duties on the Champagne alone, and found that it was just about \$150,000 Annual interest, for say nine and a half years, half the time, would be about \$111,000; he called it

Showing that they had made and the Government had lost at least	\$250,000
Mr. Way had also made a computation, and had frequently admitted that the amount of duties withheld was \$100,000; he claimed that it would not exceed that,	\$100,000
Upon which the interest, computed in the same way, would amount to about	74,000
	\$174,000

The average of the two sums was \$212,000

Mr. Way had also frequently admitted, when the Government asked \$350,000, that as a matter of common honesty the Messrs. Williams should pay the amount they had actually saved and the Government had lost, and I determined to make an effort to secure at least this sum. Accordingly on Mr. Farwell’s return I stated to him my determination to decline a settlement for less than the Williamses had actually made by the fraud, including the interest. I therefore, when Mr. Way called at the Custom House the next morning, presented the matter to him in this way: I stated that he had often admitted that as a matter of common honesty the Messrs. Williams should pay to the Government the amount it had actually lost by their fraudulent undervaluation of the wines. He replied, “Yes, and I say so now.” I then proposed that he and Mr. Farwell should

ascertain the amount of duty that had been withheld on all the importations since 1846, and offered to take the responsibility of discharging the claim upon the payment of that amount, whatever it might be, with the interest. His reply to this was that he and Mr. Farwell would not agree, and at once began to show him, or try to, that they could not. I answered that if they took up each importation and compared the amount in the entry and false invoice at the Custom House with the actual value and the amount actually remitted Mr. Roederer by the Messrs. Williams, as shown by their own books, — and it was all so shown, — I did not see how they could fail to come to substantially the same result. He responded, “We sha’n’t agree, we sha’n’t agree.” I repeated that I did not see why, as it was simply a matter of computation; that the loss to the Government in duties ascertained on one importation, would furnish the rule or rate on the aggregate amount, as the price paid was the same, and the undervaluation in the false invoices was the same through the whole period. “No,” said Mr. Way, “we sha’n’t agree upon the principle;” and began again with great earnestness, I might almost say an excited or nervous earnestness, to point out to Mr. Farwell wherein they should differ, and added that Mr. Hardy would agree that his mode of ascertaining the amount of duties withheld was correct. “Very well,” said I, “I am willing if you and Mr. Farwell cannot agree, that Mr. Hardy should decide which is right, and will settle upon the payment of the amount thus ascertained.” Mr. Way, not liking this proposition, replied as before, “We sha’n’t agree, I know we sha’n’t, and there is no use in trying,” continuing his efforts at the same time to convince Mr. Farwell that they should certainly differ. The discussion — at times quite earnest — run on in this way for a long time, Mr. Way admitting that the Messrs. Williams ought at least to restore all they had taken from the Government, but declining my proposition for no other reason than that he and Mr. Farwell and Mr. Hardy could not agree as to the amount. He finally said the sum would be less than \$100,000. “Very well,” said I, “then I will settle for less than \$100,000,” and insisted that they ought at least to try, but he refused even to try. Whereupon I decided — and it was then my fixed purpose — that I would not receive the \$100,000 and discharge the claim, and so stated to Mr. Way, who then retired, and, as I supposed, reported my decision and proposition to the Messrs. Williams. It should be stated that Mr. Way had learned the decision of the Department through Mr. Farwell before I had presented this proposition.

Mr. Tuck and Mr. Farwell disapproved decidedly of my action, and remonstrated with me earnestly against it, claiming that the letter of the Solicitor contained not only the authority of the Secretary, but his positive instructions, which it was my duty to carry out. I replied by repeating what I had before said in substance, that the \$100,000 was not half the amount that had actually been made out of the Government by the fraud, and that a settlement for that sum would operate as a bounty and encouragement to fraud, rather than tend to check or prevent it. I insisted that while small offenders are held to the full penalties of the law, a great fraud like this, so deliberately and carefully contrived and entered upon, and so systematically and successfully practised for nineteen years, by parties who had evidently counted on their reputation and standing to lift them

above suspicion, and thereby enable them to do unsuspected what otherwise they probably could not have done, — when pressed by Roederer to allow the price to be raised for their own safety, after seizures had been made in other places, it was with apparent reluctance they consented to an advance of two francs, adding, “ We think we should have had no difficulty with the old way of invoicing ; ” — I say, I insisted that such a fraud, so successfully inaugurated and executed during so long a period by such parties, ought not to be so settled that the perpetrators of it could say that it had after all been a source of great profit to them. Rather than settle the case with such a result I much preferred to report it to the District Attorney in the usual way for judicial investigation and determination. This course, I think, and have ever thought, would have been the best for the Government. But Mr. Tuck and Mr. Farwell again urged their views upon me. They insisted that the matter had been referred to the Secretary *with the understanding that his decision should be accepted as final*; that it was my duty to comply with his instructions; that they believed it would be better for the Government in the end to settle in this way rather than take the hazards and delay of a prosecution, and I finally very reluctantly concluded that under the instructions of the Secretary and all the circumstances, it might be my duty to receive the \$100,000 and discharge the claim, and did so. The following is a copy of the discharge : —

“ CUSTOM HOUSE, BOSTON, }
“ Collector's Office, May 8, 1865. }

“ \$100,000.

“ Received of J. D. & M. Williams and Edward Codman & Co., one hundred thousand dollars, in full satisfaction of all claims which the United States may have for duties, fines, penalties, and forfeitures arising out of the importation of Champagne wines and other merchandise up to this date, or incurred by reason of frauds therein, or other improper conduct in relation thereto, or out of the acts of any and all the parties therein interested. All books and papers of J. D. & M. Williams to be given up.

(Signed)

J. Z. GOODRICH, Collector.”

Let it not be supposed for a moment that it is any part of my purpose in the foregoing statement, to contrast what I did with what Mr. Tuck did. We differed very decidedly and widely in opinion, but I never had a particle of doubt of his incorruptible integrity as a man and officer. My sole purpose is to present as accurately as possible the part I took in the transaction, which I cannot do without referring to matters in regard to which we differed. Charged, as I have been, as the responsible officer in ferreting out this great fraud and settling with the perpetrators of it, with having received large sums of money which I have not accounted for, it is my right not only, but my duty to myself and friends, to state to the public precisely what I did. This I have done.*

* At the request of Mr. Tuck, to place him right before the public, upon a matter which, between us, was always right, I have consented to insert the following note from him : —

U. S. HOTEL, April 19th, 1866.

HON. J. Z. GOODRICH :

Dear Sir, — I notice in reading my letter of the 19th of March, that my using the words, “ by Mr. Goodrich or any one else,” in that clause where I disclaim knowledge of the payment of an amount above a certain sum named,

THE SECRETARY'S CONFIDENTIAL CORRESPONDENCE
WITH THE MESSRS. WILLIAMS.

Before the confidential letter of the Secretary to the Messrs. Williams, on the 5th of June, had he heard anything unfavorable to my conduct in this matter? If he had, from whom had he heard it? Mr. Hooper says *he had seen* my letters, — seen them at the Department, of course. I assume that this was before the Secretary's note to the Messrs. Williams; and that whatever he had heard unfavorable to me, if anything, he learned from Mr. Hooper.

If the Secretary had *not* learned anything unfavorable to me, is it not somewhat singular that he should have opened a confidential correspondence with the Messrs. Williams, who had been, as he knew, regularly and systematically defrauding the Government for nineteen years, without communicating at all with the Collector who had been doing all in his power to expose and stop the fraud? It is not usual to make confidants of merchants who have just been detected in gigantic frauds, rather than Collectors against whom there are no suspicions. But as the Secretary did not confer with me on the subject then, and has not at any time since, I infer that somebody had poisoned his mind. I cannot learn what he wrote the Messrs. Williams, nor what they wrote in reply. They say the correspondence related to the money paid in this settlement, but that it was confidential. It may be safely assumed that it contains something not in their testimony, as otherwise they would have produced it.

THE INVESTIGATION.

• Why was it not ordered *before* instead of *after* my removal? The Secretary had been for three months before in confidential correspondence with the Messrs. Williams in regard to the “\$32,000 unaccounted for.” Immediately after removal he directs the District Attorney to inquire into the matter before the Grand Jury. But nothing was said to me about it. Why not? Was I suspected? Why, and upon what evidence? If not suspected, why has not the Secretary relieved me from suspicion long ago, instead of allowing it to be confirmed by what every now and then comes over the wires from his own Department? When the District Attorney called me I went before the Grand Jury and told how much money I had received

a casual reader might infer that I thought it possible a larger sum was received by you. I should accuse myself more severely for using language capable of such a construction, if the possible inference from the words used had not escaped your notice as well as my own, when I read my letter to you before publication. I had two objects in view in that clause of my letter, — one to make my denial entirely comprehensive; and the other to avoid trespassing upon your defence, officiously vindicating you, in Massachusetts, on your own ground, among your own friends, when I knew you were about attending to that matter yourself. Had I not known your means of defence and your purpose to use them, I should have made my assertions so broad as to have covered your acts as well as my own, touching the Williams settlement. I should have thought it proper, also, to have stated my own knowledge of your faithful course toward the Government on all occasions, and your incapability of any act unworthy of a most generous, patriotic, and honored citizen.

I am, with the greatest esteem,

Yours,

AMOS TUCK.

and what I had done with it. His report, not made a few days ago, will present the truth so far as he has been able to learn it. But it must go to the Department, and I have no reason from the past to suppose it will be furnished to me. I do not mean by this to complain of the Secretary. He doubtless has reasons quite satisfactory to himself for the course he has pursued.

THE THIRTY-TWO THOUSAND DOLLARS.

Moses B. Williams testifies that besides the \$125,224 paid to the Government, \$82,000 was paid to Mr. Way, but "not a particle" was to be paid to him as compensation for his services. Consequently it was all paid for the purpose of being used — it is not now pretended to the contrary, I suppose — wherever and with whomsoever it would accomplish most in promoting favorable dispositions and securing effective aid and influence in moderating the demands of the Government. In other words, it was paid to "grease the wheels." I had not the slightest suspicion at the time that money was used, nor did it once occur to me that it could be had for any such purpose. And I take great pleasure in being able to say that I have no belief whatever that one cent of this \$32,000 was paid to any officer connected with the Boston Custom House, including Mr. French, who was acting as Special Deputy in this and a few other cases which arose before he resigned as one of the regular Deputies, the first of April. I have the satisfaction of feeling that it was not deemed best to suggest to me that money could be had, if desired; at any rate, the suggestion was not made. And I am very sure, if I had had the least suspicion that such means had been used to compass a settlement on easier terms, I should never have signed a receipt discharging the claim.

One word more in this connection. Assailed as I have been, wickedly and cruelly stabbed in the dark, as I have been, I may be allowed to affirm, as I do explicitly and positively, that I performed faithfully the onerous and responsible duty which was thrust upon me by the discovery of this fraud. Others might have performed it better, but no one could have tried harder to discharge his whole duty to the Government and the public, than I did to the extent of my ability and according to my best judgment.

CHENERY & CO. AND DIX CASE, AND MR. HOOPER'S REPORT.

It is due to the public, if not to myself, that I explain another gross fraud, and the means by which men, high in military and civil position have sought to justify it and the parties to it at the Department. The Williams fraud was greater in amount, but the means employed were no worse. Let everyone read the following statement, and judge for himself:—

FACTS.

On the 24th of July, 1862, Messrs. Chenery & Co. imported a cargo of rum, sugar, and molasses, and on the same day made a warehouse entry of the whole cargo. The Inspector, who superintended the unloading, delivered it all to the Storekeeper for warehousing on the 25th, and took warehouse receipts. The following is a copy of the receipt for the sugar, excepting the marks and numbers:—

"BOSTON, July 25th, 1862.

"Received in warehouse at C. H. B. [Custom House Block] from on board brig Wm. Moore, Klynn, Master, from St. Croix, twenty-four hhds. and six bbls. sugar, marked and numbered as in margin, and imported by Chenery & Co.

"Signed by the Storekeeper."

Another receipt in the same form was given for the molasses, and a third for the rum. The rum was immediately sent to United States Bonded Warehouse, but the sugar and molasses, at the request of Chenery & Co., was allowed to remain on the wharf, as they expected to sell it the next day, pay the duties and withdraw it, which they did. It was, however, in the custody and control of the Government, represented by the Storekeeper,—who might at any moment have sent it to the store,—and was considered as constructively warehoused, according to the well-known custom in such cases.

On the 26th, the Inspector made the usual return at the Custom House that the vessel had been discharged and the cargo "warehoused or stored on the 25th," and left with his return the Storekeeper's warehouse receipts.

On the same day the Storekeeper made his return, which was on the back of the order to receive the cargo into store, and was in these words:— "The merchandise permitted within was received into store on the 25th day of July, 1862."

On the same day also, July 26th, Chenery & Co. paid the duty on the sugar and molasses, having sold it as expected, and withdrew it "from warehouse," and received the usual order or permit to the Storekeeper to deliver it. This was Saturday, and it suited their convenience to hold the order till Monday, the 28th, when they presented it and received the goods. The Storekeeper then returned the order to the Custom House, and indorsed on it, "Delivered out July 28th, 1862."

The rum remained in bonded warehouse till the 28th of October,

which was three months and four days after it was imported. Chenery & Co. then applied to Mr. Payne, Warehouse Book-keeper, to withdraw it, who informed them that as more than three months had elapsed since it was imported, it was subject to double duty. To this they objected, and presented the question to Mr. Timothy B. Dix, principal Storage Clerk, who stated that as it appeared from the return of the Storekeeper that it had been in warehouse more three months, it could not be withdrawn without paying double duty, or an additional duty of fifty-nine cents a gallon. The time of *warehousing* was no otherwise important than the conclusive evidence it furnished that the rum had been *imported* more than three months, the law being that it was subject to double duty if not withdrawn within three months from importation. How to get over this evidence and that furnished by Chenery & Co.'s oath, made on the original entry, that it was imported on the 24th of July, was the question. They went to the warehouse and endeavored to persuade the Storekeeper that it was not warehoused till the 28th of July, and that his return was wrong. But the Storekeeper, after examining his books, was satisfied he received the rum into warehouse on the 25th of July, and that his return was right. They then requested him to go to the Custom House and confer with Payne and Dix, two old and experienced clerks, and see if it could not be arranged in some way, which he did. He first saw Payne, who went with him to Dix's desk. The Storekeeper stated to Dix and Payne that he received the rum, sugar, and molasses on the 25th of July, and delivered the sugar and molasses out to Chenery & Co. on the 28th, as his return showed. It has never been pretended that he made a different statement, always affirming the correctness of his returns. Mr. Dix then said that "upon the Storekeeper's *statement of the facts, in accordance with the usual practice the return should have been dated the 28th of July instead of the 26th, and that it would be proper to alter it.*" Finally, the Storekeeper, by the advice and direction of Mr. Dix, as Mr. Payne and the Storekeeper both say, altered his return, which was, as I have said, on the back of the order to receive into warehouse. As originally made it was as follows:—

"BOSTON, July 26th, 1862.

"The merchandise [which included the rum, sugar and molasses] permitted within, was received into store on the 25th day of July, 1862."

As altered, it was as follows:—

"BOSTON, July 28th, 1862.

"The merchandise permitted within was received into store on the 25th and 28th day of July, 1862."

The alteration consisted in inserting in the body of the return after the figures "25" the word and figures "and 28," and by making the figure "6" in the date into "8," so that the date would be 28th instead of 26th. In this way the time of the deposit or warehousing of the rum, treating the whole as one transaction, and dating from the deposit of the sugar and molasses, *thus fixed by the altered return* at the 28th of July, was brought within three months from the 28th of October. But this was not enough, because, while the 28th of October might not be more than three months from the time of *deposit* in warehouse, it might be more than that from the time of *im-*

portation. It was therefore necessary, under the law existing at that time, to show that the withdrawal on the 28th of October would not exceed three months from *importation*. This was done by allowing Chenery & Co. to state in their withdrawal entry of the rum on the 28th of October, that it was imported on the 28th day of July, and they did so state, although in the original entry on the 24th of July, they had sworn, *as the fact was*, that it was imported on the 24th.

Upon this *altered* and *false* return of the Storekeeper, and their own *false* statement that the rum was imported on the 28th of July, Chenery & Co. were allowed to pay the single duty of fifty-nine cents a gallon and withdraw it, which they did. The additional duty was \$2,993.66, and the whole purpose was to relieve them from the payment of this sum. There was no other conceivable motive or necessity for altering the return, or making the false statement as to the time of importation, and Chenery & Co. and Dix were obliged to admit, and did admit, that such was the purpose.

A letter from the Commissioner of Customs, dated the 20th of the following March (1863), inquiring why a duty of one hundred and eighteen cents instead of fifty-nine had not been collected on the rum, led to the disclosure of the foregoing facts, which was the first information I or either of my Deputies had on the subject. The rum still remained in warehouse on storage, and I immediately revoked the order to deliver, and gave directions to retain it till the additional duty of \$2,993.64 was paid, and payment was made soon after. Mr. Dix was removed (Payne and the Storekeeper resigned), and his removal was approved by the Secretary upon a report of the facts, with copies of all the papers relating to the case. His brother, General John A. Dix, soon after appealed to the Secretary to direct that he be reinstated, on the ground that injustice had been done him by the removal. The Secretary (Mr. Chase), though he did not claim the right to reinstate after having approved of the removal, was willing, as a friend to General Dix, to inquire again and thoroughly into the facts, and do what he properly might. With this view, he wrote to Mr. Hooper on the 28th of July, 1863, and inclosed all the papers which I had forwarded, and asked him to ascertain all the facts and report them with his opinion, and especially to report whether he agreed with the Collector. The forepart of August Mr. Hooper called on me at the Custom House, and showed me his letter from the Secretary. I at once made a full explanation of all the facts and the views I entertained, and showed him the Storekeeper's warehouse receipts, dated July 25th, the Inspector's return, dated the 26th, the entry of Chenery & Co., *withdrawing the sugar and molasses, on the 26th*, and the Storekeeper's *altered* return, and pointed out what the alteration was. I understood him to express opinions which agreed with my own; he said nothing to indicate that he differed from me in any important particular. At the close of our interview he said he would prepare his report to the Secretary, and show it to me before forwarding it. My recollection of this is clear and distinct, and I know I cannot be mistaken in regard to it.

Thus matters remained till I received an unofficial letter from Mr. Chase, of which the following is a copy:—

“TREASURY DEPARTMENT, February 12th, 1864.

“My dear Sir: — I inclose an official letter which speaks for itself. General Dix feels greatly hurt by the removal of his brother, and wishes that I would examine the matter anew. I cannot do this, and do justice to you at the same time, without conferring with you personally. I therefore desire to see you in Washington. I hope it will not be inconvenient for you to come. There are many subjects I shall be glad to confer with you about.

“Very truly yours,

S. P. CHASE.

“J. Z. GOODRICH, Esq., Boston, Mass.”

I went to Washington, as requested, where I found, among the papers in the case, Mr. Hooper's report. This was the first intimation I had that it had been made. It was dated September 15th, 1863, a short time after his interview with me at the Custom House. It closed with the statement that “*the Collector declined to confer with me (him) on the subject,*” which I pronounce to be utterly and inexcusably false. Mr. Hooper knew better. Inclosed with his report I found a letter to him, written, as the report states, at his request, from R. S. S. Andros, Esq., dated September 7th, also the affidavit of Mr. Payne, dated August 22d, and of Mr. T. B. Dix, dated September 7th, 1863. I also found a letter from General Dix to the Secretary, dated November 20, 1863, in which he spoke of the ordering of an “investigation,” and thus referred to Mr. Hooper's report: — “The Hon. Mr. Hooper has made his report, and I am told my brother is completely vindicated. I now ask, as an act of justice, that he may be placed in the position which he occupied before his unjust removal by Mr. Goodrich. * * Mr. Harrington (Assistant Secretary) assured me that he should not be considered out of place, and that the result of the investigation should be *decisive*.” Perhaps Mr. Hooper had received the same assurance from Mr. Harrington, which may explain why he *forgot* to show me his report. Its conclusions do “completely vindicate” Mr. Dix, and it was doubtless expected Mr. Chase would treat it as decisive without explanation from me. But he thought justice to me required a personal conference, and he sought one.

Mr. Chase said he must see Mr. Hooper and myself together, and proposed to meet us at 10 o'clock the next morning at his office. We met at the time appointed. Perhaps two hours were spent in verbal statements by Mr. Hooper in explanation and vindication of his report, and in replies by me pointing out what seemed to be not errors merely, but perversions both of fact and law, to which Mr. Chase listened.

MR. HOOPER'S REPORT.

It conclusively shows that he knew the cargo was all warehoused on or before the 26th of July. It says: — “The entry and order to receive into warehouse, was for rum, sugar, and molasses; the rum was put into the store on the 25th July; the next day, being Saturday, the 26th July, Messrs. Chenery & Co. sold the sugar and molasses at auction, and immediately entered it out, paid the duty, and received the delivery permit; which permit they took to the Storekeeper on the morning of the next business day, which was Monday, the 28th July.”

If the next business day *after* they received the permit was Monday the 28th, of course they received it Saturday the 26th. Mr.

Hooper admits, then, that Chenery & Co. paid the duties on the sugar and molasses, and "entered it out" of warehouse, or withdrew it from warehouse, on Saturday the 26th, and the same day received a permit or order for it, as was the fact. Consequently he *knew* it had been *previously* warehoused, as otherwise it could not have been withdrawn from warehouse. And he states, substantially, the same thing in another passage, as follows:—

"The sugar and molasses, after having been entered for storage, could be obtained for delivery to the purchasers, only by entering it out, as if it was actually in the warehouse; for this purpose only is it considered constructively in the warehouse while on the wharf."

This admits it was constructively in the warehouse while on the wharf. And if it could be obtained for delivery only by entering it out, and could be entered out only when constructively (if not actually) in the warehouse, and if it *was* in the warehouse for this purpose, as Mr. Hooper says it was, then it must have been warehoused, as he must have known, BEFORE it was "entered out" on the 26th. Nothing further can be needed on this point.

And the evidence of the facts presented to Chenery & Co., Dix and Payne at the time the rum was withdrawn on the 28th of October, or of what they *then* knew, agrees perfectly with this admission of Mr. Hooper. This his report sufficiently shows. It says:—

"As it appears by the Storekeeper's return" (agreeing exactly with the Inspector's return), "that the deposit in the warehouse was made on the 25th July, consequently that it had been in the Warehouse more than three months, the warehouse Book-keeper, Mr. H. A. S. D. Payne, decided that the rum" (there was but one return, showing the rum, sugar, and molasses were deposited at the same time), "was subject to duty at the rate of one hundred and eighteen cents per gallon under the law of July 14th, 1862." (They knew, it seems, what the law was). * * "On referring" (Chenery & Co. referred) "to the principal Storage Clerk, Mr. T. B. Dix, he stated that the return of the Storekeeper must be their guide, and that the rum could not be withdrawn without paying the duty at the rate of one hundred and eighteen cents per gallon."

It is manifest, therefore, they all knew the goods were warehoused according to the returns, on the 25th of July, and they knew the withdrawal of the sugar and molasses by Chenery & Co. the next day—which the withdrawal entry in the Custom House showed—proved the correctness of the returns, as the withdrawal could not have been made if the warehousing had not been previously made. With this proof that the returns were correct,—proof by their own withdrawal entry,—Chenery & Co. went right to work to get the date of warehousing altered.

And this brings me to another part of Mr. Hooper's report, made for another purpose (which will appear as we proceed), in which he pretends, and upon a theory quite new, attempts to show that the sugar and molasses were *not warehoused*, actually or constructively, till the 28th of July. Portions of this part of his report, taken in connection with the quotations already made, are curiosities. He says:—

"Messrs. Chenery & Co. claimed that the return was erroneous, as the date of deposit in the warehouse was the 28th instead of the 25th of July, * * * Messrs. Chenery & Co. went to the public warehouse, and, after some conversation with the Storekeeper who made the return, in regard to the facts

in the case, requested him to go to the Custom House and consult the principal Clerk, Mr. T. B. Dix, and the warehouse Book-keeper, Mr. H. A. S. D. Payne, both of whom had more experience than the Storekeeper in regard to what had been the usual practice in relation to the return of goods deposited in the public warehouse. After hearing the statement of the Storekeeper" (which was that the goods were all warehoused on the 25th July, — it has never been pretended that he ever made a different statement), "Mr. Dix expressed the opinion that upon *his statement of the facts, in accordance with the usual practice, the return should have been dated the 28th of July instead of the 26th*; also, that it would be right for the Storekeeper to alter his return so as to make it conform to the facts in the case. The Storekeeper then changed the return by altering the date from the 26th to the 28th July, and in the body of the return so that instead of stating the deposit in warehouse to be on the 25th July, it was stated to have been received on the 25th and 28th July; thereby naming the first and last days, as had been customary in such returns, viz., the date of the receipt of the first package in warehouse as the first, and for the other the last day on which any of the goods were received in the warehouse. Messrs. Chenery & Co. entered the rum on the 28th of October after this correction of the return had been made, and paid the duty at the rate of fifty-nine cents a gallon."

More uncandid or groundless assumptions than these were never made. The Storekeeper's return was not altered to *correct* it; nobody concerned in the transaction could have supposed it was. And Mr. Hooper must have known it conformed exactly to the facts in the case. At any rate, he *knew* that the sugar and molasses were *withdrawn* on the 26th, and that they had been warehoused *before* they were withdrawn. And he knew the rum was warehoused on the 25th, for he so states. Nor was the cargo warehoused on *different* days, as assumed. Mr. Hooper knew it was all warehoused, if ever, on the *same* day. This not only the Storekeeper's return, but the Inspector's return showed, both of which were in his hands, or copies. The report proceeds: —

"To arrive at a correct conclusion from the statement of the facts presented in this case, the first question to be considered is whether the 28th of July was the true date that should have been originally returned; and secondly, if it was the true date, whether it was proper to make the alteration in the return. In answering these questions it seems to me that the usual practice of the Boston Custom House should be considered, and not what was abstractly the most correct and judicious action in regard to such returns."

But how does he attempt to prove that the 28th was the true date that should have been returned as the date of deposit in warehouse? In this way, in his own words: —

"When, after having been entered for warehousing, any portion of the goods specified in the entry is entered out before it has been sent to the warehouse, as was the case in this transaction of Chenery & Co., *the time when the delivery permit is received by the Storekeeper, is considered the final date of deposit*" (in warehouse).

This means that when the duties are paid on part of a lot of goods entered for warehousing, and it is withdrawn while it remains in the possession of the Storekeeper on the wharf before being actually sent to the warehouse, and the owners have received an order for it, the time when this order or delivery permit is presented to the Storekeeper is to be considered the time of final deposit in warehouse, whether one, two, ten, thirty days or months after the withdrawal entry or payment of the duties (in this case two days after). In other

words, the time of actual delivery *out*, or the time the Storekeeper "receives" from the owners the order to deliver out, is the time of final deposit *in* warehouse. Can anything be more absurd? There is no connection whatever between the two transactions. The order to *receive* is before the duties are paid. The order to *deliver* is after the duties are paid. They are signed by different officers and issued from different departments. Moreover, the order to receive into warehouse *must* first be executed before the order to deliver *can* be regularly issued. How, then, can anybody but feel surprised that a man of Mr. Hooper's intelligence, who has been so many years engaged in the importing business, and so long familiar with the mode of passing goods through the Custom House, should make such a statement as this. That it is wholly unfounded, cannot admit of a doubt.

Besides, the time when goods are legally withdrawn is, not when the owners receive them from the warehouse, or present an order for them, but when *the duties are paid* on the withdrawal entry. Secretary Chase, doubtless, surprised at Mr. Hooper's pretence of any such custom as he talked about, inquired of the Collector of New York when goods are withdrawn from warehouse, who replied under date of February 2d, 1864, as follows:—

"I regard the *payment of the duties* on the withdrawal entry, as the *actual act* of withdrawal from warehouse, *no matter when thereafter the order was presented to the Storekeeper.*"

From the nature of the case it must be so. What has the Government to do with imported merchandise after the duties are paid? Nothing, of course. Manifestly they should not be warehoused, actually or constructively, after that, and as a matter of fact and practice, well known to all importers, they are not. And yet Mr. Hooper tells the Secretary that according to the custom or "usual practice" of the Boston Custom House, they are.

The position of Mr. Hooper that an importer may keep his order for withdrawn and duty paid goods in his pocket till it suits his convenience to present it, with the understanding that the time of presenting it will fix the date of warehousing goods not withdrawn and duties not paid, and extend the time within which they may be withdrawn without additional duty (as in this case on the rum from the 25th to the 28th), is simply preposterous, and it would be an impeachment of his intelligence to suppose for a moment that he does not know it is.

But he tries still further to justify this position by saying that the Storekeeper "could not properly return on the 26th July that he had received the rum, sugar and molasses into the warehouse." Not proper to make the return on the 26th! How is it possible Mr. Hooper can justify such a statement? It was not only proper the return should be made when it was, but it was *necessary* to enable Cheney & Co. to withdraw the sugar and molasses on the 26th. If there had been no return, there would have been no evidence at the Custom House that the sugar and molasses had been warehoused. But the return had been made. The Storekeeper's return stated that the goods had been "received into store on the 25th." The Inspector's return stated that they had been "warehoused or stored on the 25th."

This was the *required* evidence to the Collector that the goods were "in the warehouse" and might be withdrawn. The Storekeeper's return, therefore, was properly made *before* they were withdrawn and the delivery permit issued. Can it be that Mr. Hooper, an old importer, could be ignorant of this? And it was undoubtedly made early in the day *for the very purpose of enabling Chenery & Co.*, after the auction sale, to make the withdrawal entry and get the delivery permit, and it being properly made, it was of course properly dated the 26th, *when* made. Nothing can show more clearly than this simple statement of the regular and necessary order of proceeding, the iniquity of the pretence that the goods were not warehoused till the 28th.

And Mr. Hooper even goes so far, in this part of his report, as to say that "the Storekeeper had no control over the sugar and molasses on the wharf." His own words, already quoted, are a sufficient answer to this. He says, "the sugar and molasses, after having been entered for storage, *could* be obtained for delivery to the purchasers *only* by entering it out." Why not, if the Storekeeper had no control over it? Why might not Chenery & Co., if this was so, have taken it without paying duty and without a permit? Could this be done? Of course it could not. The Storekeeper might at any moment, as Mr. Hooper ought to have known, have sent the sugar and molasses to the store. Suppose Chenery & Co. had changed their minds, and decided not to sell, pay the duties, and withdraw from warehouse for two months, can it be pretended that the Storekeeper could not have controlled it and put it into store? He not only might have done this, but it would have been his duty to do it.

TIMOTHY B. DIX.

Mr. Hooper represents Mr. Dix as saying that "upon the Storekeeper's statement of the facts, in accordance with the usual practice, the return should have been dated the 28th of July instead of the 26th, and that it would be proper to alter it."

He said this and more. He directed the alteration. But it was wholly immaterial, so far as Mr. Dix was concerned, what the Storekeeper stated. He knew the facts as well as anybody could tell him. He had been in the Custom House, and in that very office, seventeen years, and was perfectly familiar with every paper. He knew the deposit and Storekeeper's return were properly and regularly made before Chenery & Co. withdrew the sugar and molasses, and therefore that the return could not properly be *dated* two days after the withdrawal. He must have known there was no such usual practice as he spoke of, and never had been. He knew, or ought to have known, that the Storekeeper's return, if altered, would contradict the Inspector's return, and would be *incorrect* as soon as altered, and yet he directed the alteration to be made on purpose to aid in carrying out the plan devised to give Chenery & Co. their rum by paying half the lawful duty. Mr. Dix knew the importation was made the 24th of July, because he himself issued the order that very day, after entry and importation, to the Storekeeper to receive the cargo, which order was before him when the alteration in the return was made. In a word, there was not a material fact that he did not know perfectly. In his affidavit there is not a word which relates to the question.

R. S. S. ANDROS'S LETTER.

In his letter to Mr. Hooper, it appears that Mr. Andros understood the facts. He then says: — "I entertain no doubt that, under the practice, the 28th was the proper date of deposit." And I entertain no doubt that he ought to be heartily ashamed of having expressed such an opinion. A man who had been as familiar with Custom House matters as he had, ought to have known better.

CHENERY & CO.'S LETTER.

The official letter inclosed in the Secretary's unofficial note of the 12th of February, was Chenery & Co.'s, dated December 31, 1863. It was a request to the Secretary to order a refund of the additional duty, for reasons stated. The following are extracts from it: —

"We respectfully represent that on the 24th of July, 1862, we imported into this District a cargo of merchandise * * and entered the whole cargo for warehousing in one entry. Said cargo, according to the officer's return, and in accordance with the facts in the case, was deposited in warehouse from the 25th to the 28th of July, 1862. The whole of the merchandise was *immediately* withdrawn from warehouse, excepting an invoice of forty-eight puncheons of rum."

These are extraordinary statements, and wholly at variance with the known facts in the case. That the rum was deposited in warehouse on the 25th there is no dispute. When, therefore, they assert that according to the facts in the case the cargo was deposited in warehouse from the 25th to the 28th, they mean to say that *according to the facts* the sugar and molasses were deposited on the 28th. And yet they themselves withdrew the "whole" of it from warehouse on the 26th of July, having paid the duties on it, which, of course, they knew. They certainly had the means of knowing it. They could have ascertained from their own books that they paid the duty on the 26th; and the date of their withdrawal entry, which was in the Custom House, would have shown at any time that that also was made on the 26th. And on the same day they received the order for the goods, and they knew they presented it to the Storekeeper on the 28th and took them *out* of warehouse, and did *not* put them *into* warehouse. The question of time being the very question to settle, it is not a supposable case that when they proposed to withdraw the rum on the 28th of October, they could have *forgotten* to ascertain when they paid the duty, made their withdrawal entry, and received the delivery permit.

Chenery & Co. are especially inexcusable in persisting in representations so palpably false, eight months after the discovery of the fraud, and there is no way of accounting for it except upon the expectation that the Secretary would adopt the conclusions and recommendations of Mr. Hooper's report without much inquiry or examination. They doubtless had been informed of the report, and of Assistant Secretary Harrington's assurance to General Dix, that the result of the investigation should be "decisive."

The 28th of July, the time they pretend the deposit was made, was two days after the duties on the sugar and molasses had been paid, and nobody knows better than Chenery & Co. that the Government does not receive goods into warehouse, actually or constructively, after the duties are paid.

MR. HOOPER'S LAW.

But the law of July 14th, 1862, was yet to be got over with the Secretary. This was done by Mr. Hooper in two ways. First, he says, —

“In regard to the law of July 14th, 1862, subjecting goods in public warehouses to an increase of duty when entered for consumption, after three months from the date of *importation*, it is not clearly established by law in this country, as it is in England, what time constitutes the *date of importation*.”

He means, if he means anything by this, to say that it was not clearly established by law in this country that these goods, on the 28th of October, (for he is applying it to the present case), had been imported three months. He admits it was three months and *four* days after Chenery & Co. entered them at the Custom House, viz., on the 24th of July, and swore that the importation was then made, and three months and *three* days after the goods had *all* been landed and the rum actually put into Government store, viz., on the 25th of July, and yet he doubts whether it is clearly established by law in *this country* — he thinks it is in England — that all this constitutes an *importation*, or the *date of importation*, before the 28th of July. This is the opinion of the member of Congress who claims to have suggested and framed this very change in the law.

But second, fearing after all that this might constitute an importation, he proceeded to lay before the Secretary his *understanding* — entirely erroneous — of the construction of the law at the Custom House, and the practice under it. He says: —

“I understand that no change was made in the practice at the Custom House in Boston in consequence of this change in the phraseology of the law; that the *date of importation* was construed to mean the same as the *date of deposit* in previous laws.”

What Mr. Hooper *understood*, of course I cannot say, but nothing could be more erroneous than what he states. The change was made the very day the law went into operation. Mr. Deputy Hanscom's attention was specially called to the alteration; in fact he was consulted in Washington in regard to it just before it was made, and he changed the practice at once. This Mr. Hooper might easily have ascertained, and it was his duty to have ascertained it before making such a report to the Secretary. He certainly had no business to make a statement in regard to it contrary to the fact.*

* CUSTOM HOUSE, NEW YORK, }
Collector's Office, May 14, 1866. }

Sir: — In reply to your letter of the 12th inst. I have to state that I was in Washington in the latter part of June and first of July, 1862, that while at the Treasury Department, Mr. George Wood showed me a proposed tariff bill printed by Congress, and requested me to suggest any alterations which occurred to me. Among other things, I advised that the words ‘date of original importation’ where it appears in the 21st section, should be inserted in lieu of the words ‘date of deposit in warehouse or public store,’ or words to that effect (the exact words I do not now remember), similar to the provision in the 5th section of the act of August 5, 1861.

My suggestions, with the reasons therefor, were reduced to writing at the request of Mr. Wood, a clerk in the Treasury Department.

As soon as the act reached me after its passage, I examined it to ascertain if the suggestion had been acted upon, because it had proved inconven-

“In regard to alterations of returns” (I quote from Mr. Hooper’s report) “by officers after they have been handed into the Custom House, I am told that it is constantly occurring in regard to dates, marks, or other details where facts are incorrectly stated.” There is not a circumstance to justify the assumption that the facts were *incorrectly* stated, and it is embarrassing to know how to characterize it. But even if they had been incorrectly stated, Chenery & Co. should have sought a remedy in another way. But the truth is, a correct return was *pretended* to be incorrect, and thus a foundation was laid to correct a pretended inaccuracy, and the correction was made for a fraudulent purpose. If this is not to be classed among the gravest of Custom House offences, then I do not know where to class it. Mr. Dix’s first excuse, when I called him to an account, was, that nothing was more common than these alterations, — they were made every day. This surprised me, and I asked him to explain what he meant. His explanation was simply and only this: that officers — Store-keepers and Inspectors — who make these returns, on discovering in a day or two, on entry, that they have made a mistake in the count and find one or more packages short, or over, as the case may be, are allowed to correct it. Said I, “Mr. Dix, do you justify the alteration of dates that are more than three months’ old, and that, too, for the purpose of falsifying a correct date and relieving an importer from half the duty, because corrections such as you have now described are allowed?” He admitted there was a wide difference in the cases.

Mr. Hooper says: “Messrs. Chenery & Co. are gentlemen of high character.” I do not controvert this, but men of high character, even, have no right to defraud the Government in the way they attempted to. He also speaks of the “high character of Mr. Dix as a faithful officer.” In this transaction no man could have been more unfaithful.

At length, after we had gone over the points and I had read the law to Mr. Chase, he said: “One thing is clear, the law is as Mr. Goodrich states it, and the money paid for the additional duty cannot be refunded to Chenery & Co. As to Mr. Dix, he can be excused, if at all, only on the ground of a custom or ‘usual practice’ which Mr. Hooper says existed.” I quote his words as near as I can.

Something then occurred to prevent Mr. Chase from considering the matter further at that time, and he requested us to meet him at the same place at ten the next morning. I met the Secretary at the time appointed, but Mr. Hooper did not appear. After a few minutes conversation upon the alleged custom or “usual practice,” in which I stated that no such custom existed, or had ever existed, so far as I knew; that I never heard of it till I saw Mr. Hooper’s report, and that his statements in regard to it were wholly unfounded and erroneous, Mr. Chase interrupted me by saying: “I am satisfied, Mr.

lent to keep a correct account of the date of deposit of goods in bonded warehouse, while the date of original importation was a fixed and certain record made on arrival of the vessel. Finding the alteration had been made, as Deputy Collector, having in charge the warehouse business at the Custom House, I gave the necessary directions required by the change.

I am, very truly, your friend and ob’t servant,

ALBERT HANSCOM.

Hon. J. Z. GOODRICH, Boston.

Goodrich, *that there was no such custom, and if there had been and you had known it, it would have been good cause for removing you.*" These, I think, are his very words. I responded simply by saying "Certainly it would," and Mr. Chase immediately dictated, in my hearing, a letter to General Dix announcing the result of his further investigation of his brother's case, which was that "Mr. Goodrich was right in removing him, and he could not interfere in his behalf." This was the substance of his letter, which I supposed would be an end of the matter. But it was not.

GENERAL DIX COMPLAINED TO MR. FESSENDEN.

Not long after Mr. Fessenden succeeded Mr. Chase as Secretary of the Treasury, General Dix complained to him that his brother had been unjustly removed from office in the Boston Custom House, and demanded that he should be reinstated. Mr. Fessenden, after requesting the General to call the next day, sent for the clerk who had charge of the papers and was acquainted with the history of the case, and asked him if Mr. Chase's decision was made after a careful inquiry into the facts; and upon being assured that it was, he directed him to take the papers back. The General called the next day, and was told by Mr. Fessenden that he could not reopen a case of removal by a Collector which had the approval of his predecessor in the first instance, and his added subsequent approval after a full and careful examination upon a re-hearing. Of this I knew nothing at the time, but I have the highest authority for saying the facts are substantially as stated.

GENERAL DIX APPEALED TO MR. McCULLOCH.

At length Mr. Fessenden resigned, and Mr. McCulloch was appointed Secretary, from whom I received a letter of which the following is a copy:—

"TREASURY DEPARTMENT, June 9, 1865.

"Dear Sir:—I have received a communication from General Dix, of New York, in relation to the removal of his brother, Mr. T. B. Dix, from the Custom House in Boston in the year 1861 (1863).

"From an examination of the papers submitted by General Dix, and a report by Mr. Hooper, member of Congress from your city, upon the charges presented, I am clearly of the opinion that injustice was done to a worthy man in this removal, and I have therefore to ask that Mr. Dix be reinstated in the place from which he was removed.

"I am very respectfully,

"H. McCULLOCH, Secretary of Treasury.

"J. Z. GOODRICH, Esq., Collector, Boston, Mass."

"An examination of the papers submitted by General Dix, and a report of Mr. Hooper," but no examination of the reports I had made, so far as appears, nor a word of explanation asked from me. It seemed to me a little remarkable, to say the least, that I should receive so summary a request under all the circumstances of this case, to reinstate Mr. Dix. The following is an extract from my reply, dated June 12th:—

"Dear Sir:—I have your favor of the 9th instant. I think I can place myself right in this matter, without going fully into its merits, which would require a long letter. The removal was approved by your predecessor, Mr. Secretary, now Chief Justice, Chase. Afterwards General Dix claimed that

injustice had been done his brother, and made, probably, the same statements to Mr. Chase that he has made to you, and requested that the case might be inquired into by the Secretary again, who addressed me a private note desiring that I would go to Washington and make a full explanation to him. I accordingly went to Washington, where I saw for the first time the papers furnished by General Dix, and Mr. Hooper's report, * * * Mr. Chase said he must see Mr. Hooper and myself together, * * * We met at the time appointed. Mr. Hooper made a full verbal explanation, in addition to his report. I replied, and pointed out the facts, &c. * * * Mr. Chase remarked that Mr. Dix could only be excused, if at all, on the ground of the custom which Mr. Hooper claimed existed at the Custom House. I remarked that no such custom existed, or ought to exist. Here the interview for that day closed, with the understanding that we would meet the Secretary again next morning. I accordingly called the next morning, but, if I remember right, Mr. Hooper did not. I explained in regard to the alleged custom, and denied that there was any custom of the kind. Mr. Chase remarked, 'I am satisfied there was no such custom, and if there had been and you had known it, it would have been a good reason for removing you for allowing it.' This ended the interview, and the Secretary at once, in my hearing, dictated a letter to General Dix justifying my course in the removal of his brother, and declining to interfere.

"I state this as the result to which the then Secretary came after an unusually thorough examination of the case. * * * He approved of the appointment of another man in his place, who has performed its duties ever since. What am I to do with him, appointed with the approval of Mr. Chase, if I am to reinstate Mr. Dix?"

"P. S. I am sure Mr. Chase will confirm the foregoing, in substance."

My only purpose in this letter was to show that the case had been carefully and thoroughly considered by Mr. Chase. Mr. McCulloch's reply was as follows:—

"TREASURY DEPARTMENT, June 16, 1865.

"Dear Sir:—Your favor of the 12th instant is received. General Dix in his communications with this office, charges that his brother was removed, not for improper conduct on his part, but because he failed to obtain for a relative of yours a position in the Custom House at New York.

"The charge is made without reservation, and a letter from you to General Dix, under date July 11, 1861, is referred to in connection with a letter of Mr. Barney, dated September 7th, '61, as establishing the charge.

"General Dix urges very strongly, and very plausibly, that the only way in which justice can be done to his brother is by having him reinstated in the office from which he was removed.

"Unless you are prepared to disprove the charge referred to, it would be no more than simple justice to Mr. Dix that he be reinstated in his former office, although in reinstating him you will be under the necessity of displacing an officer who was appointed with the approval of Mr. Chase.

"I am very respectfully,

"H. MCCULLOCH, Secretary of the Treasury.

"J. Z. GOODRICH, Esq., Collector of Customs, Boston, Mass."

My reply to this very extraordinary letter, was as follows:—

"COLLECTOR'S OFFICE,
Custom House, Boston, 19th June, 1865. }

"Dear Sir:—Your favor of the 16th is just received. By it I am informed for the first time, that General Dix charges that his brother was removed, not from improper conduct on his part, but because he failed to obtain for a relative of yours (mine) a position in the Custom House at New York. In this the General is utterly mistaken. * * * I never had the slightest feeling against General Dix on the subject, nor against his brother. I always supposed he did all he properly could to obtain the appointment of my friend. My recollection is that the suggestion was well received by the General; that he applied to Mr. Barney in my friend's behalf, and I always understood the reason why the appointment was not made was, that Mr. Barney did not see his way clear to appoint a Massachusetts man. He wrote me on the subject, and

assigned that as his reason. Such is now my recollection, though the letters are none of them before me; indeed, I do not think I preserved them, never expecting to have occasion to refer to them again.

"Furthermore, the friend alluded to had received an appointment from me nearly a year before Mr. Dix was removed.

"Not long after I was appointed Collector, Mr. Chase, in a private note, at the request, as he said, of General Dix, asked me not to remove his brother. He was as subject to removal on political grounds, having been a Buchanan Democrat, as any one, and his removal was expected undoubtedly — certainly feared — on this ground. When I received Mr. C.'s note I abandoned all thought of removing him, till the facts which I assigned as a reason for doing it finally came to my knowledge. Nor did I do it then without presenting the facts to Mr. Chase and obtaining his opinion, which was done in this way. Mr. Tuck, the Naval Officer, happened to be going to Washington just about that time, and I gave him the original papers which contained the evidence of the impropriety complained of, and asked him to explain the matter to Mr. Chase. Mr. Tuck informed me that Mr. Chase's opinion was that the officers concerned in the transaction should be removed, and that he desired me to send a copy of the papers to the Department. I then made the removal, and forwarded copies of the papers as requested, with my reasons. The removal was at once approved. The case was further investigated by Mr. Chase after this.

"I am prepared to disprove the charge referred to, and also to convince you that the cause of removal, — if you desire to open the question after it was so thoroughly considered by the then Secretary, — was sufficient, and will go to Washington for that purpose if you desire it."

No reply to this letter was received, nor was I invited to Washington to make explanations. At length, however, I went to Washington, and on the 10th of August saw the Secretary for the first time at his office. After a few words of introduction, I at once introduced the Dix case. He said he did not wish to hear anything further on the subject. I replied that he had come to the clear opinion from reading Mr. Hooper's report that I had done injustice to Mr. Dix, and I thought he should at least hear what I had to say. He replied that he did not wish to go into the matter; that it was unnecessary, &c. I insisted that after saying what he had in his letter, it was due to me that he listened to my explanations, and told him I had prepared a written statement, which, if he preferred, he could take and read at his convenience, which would not occupy more than fifteen or twenty minutes. He said no, he did not care to read it. I again urged that he owed it to me personally to do as much as this. He said he was disposed to do any thing he could for me personally, but no good could come from a further discussion of that case, and declined even to read what I had prepared. I said if you positively decline, I shall of course be obliged to submit. After some further conversation on the subject, he at length said: "It is unnecessary to go into the question, for I have conferred with Mr. Bailey, who has satisfied me that you are right about it."

And who is Mr. Bailey? He is Mr. J. F. Bailey who was special agent of the Department under Mr. Chase and Mr. Fessenden, and under Mr. McCulloch also till a short time before, when he was appointed Collector of Internal Revenue in the city of New York, which office he holds now.

Some time after Mr. Hooper's report, but before I had seen it or knew it was made, — not far from the first of December, 1863, — Mr. Bailey, who had spent several weeks in examining other matters in the Boston Custom House, was requested by Mr. Chase to examine

and report upon the Dix case also. He commenced the examination with a strong personal desire that the matter might be arranged satisfactorily to General Dix, and hoped to find a state of facts that would justify a report exonerating his brother. I laid before him all the facts, and explained them just as I had done to Mr. Hooper.* At the close of his investigation he told me he was sorry to be obliged to say that I could not restore Mr. Dix consistently with my duty as a public officer, nor with my self-respect, and that he should so state to Mr. Chase. I suppose he made a report to that effect, but I never saw it.

After all this it would seem to be quite time Mr. McCulloch came to the conclusion that I was right about it, or *possibly might be*. And yet, satisfied of this, as he admitted finally, soon after Mr. Hamlin was appointed Collector, he requested him to put Mr. Dix back into the office from which he was removed. This, I understand, Mr. Hamlin declined to do, but said, in substance, that he would appoint him to another office if the Secretary, after the decisions which had been made by his predecessors, desired it. In this way he threw the responsibility upon the Secretary, and at his request appointed Mr. Dix an additional Aid to the Revenue. In other words, an office was created for Mr. Dix, and it ought to be known that he received it at the request and on the responsibility of the Secretary, and that, too, after he became *satisfied that I was right about this case*, and of course that his predecessor, Mr. Chase, was right.

A word should be added in explanation of the request to General Dix to favor an appointment in the New York Custom House from Massachusetts. I wrote him that in accordance with Mr. Chase's request I should retain his brother, but added that I was urged to remove him on the ground, in part, that he came from New York, and was occupying a place which fairly belonged to some one in Massachusetts. As an answer to this I asked him to request Collector Barney to appoint some one from Massachusetts whom I should recommend. After Mr. Barney wrote me, I thought no more of it. These, with those before stated, are the substantial facts as I remember them, and if General Dix has any letters from me which prove, or tend to prove his charge, he is at perfect liberty to publish them. I am willing the world should know all I have said or written about this matter. But General Dix has no letter of mine which will prove his charge. It is obvious his purpose was to withdraw attention from his brother by getting up a personal issue with me. His charge is utterly false. He has not a particle of excuse for making it. And the attempt to divert attention from the charge against his brother, which Mr. Chase, against every personal wish and desire, had been forced to sustain, by pretending to another Secretary that I was influenced by unworthy personal motives growing out of an affair of no consequence which I

* Extract of a letter from Mr. Bailey to me, dated May 16, 1866:—

“The details of the case of Mr. Timothy B. Dix, and of the inquiries made in it by me, under direction of the then Secretary, have in great part passed from my mind, but in reply to your request that I state whether you exhibited all the papers, and showed a disposition to render every facility for a full examination, I am clear that all my impressions as to your own course were to that effect.”

had forgotten, is especially mean and cowardly. And the time spent by Mr. McCulloch in *this mode* of reviewing the decisions of his predecessors, it is quite safe to say will be very poorly spent. If he had told General Dix to prove his charge, made without "reservation," before calling on me to "disprove" it, the proceeding would have been much more regular.

Many will wonder how Mr. Hooper could have expected that Mr. Chase would ever approve such a report as his. The truth undoubtedly is, he had no expectation Mr. Chase would ever examine his report. If he had, he certainly would have made a different one. His expectation unquestionably was that the matter would be settled by Mr. Harrington, the Assistant Secretary. With him there would have been no difficulty. His assurance had been obtained that the result of the investigation should be "decisive."

The fact that Mr. Chase requested Mr. Hooper to report upon the case, implied that he had confidence that he would make a fair and true report. He said nothing to me except this: "*I am satisfied, Mr. Goodrich, there was no such custom (as Mr. Hooper claimed existed), and if there had been, and you had known it, it would have been good cause for removing you.*" This he said, and of course did not rely on Mr. Hooper's statements, doubtless feeling that the confidence he had placed in him had been misplaced.

MR. HOOPER AND SECRETARY McCULLOCH ON BAGGAGE-SMUGGLING BY THE RE- SPECTABLE AND WEALTHY.

The law exempts from duty "wearing apparel in actual use," only, "and other personal effects, not merchandise."

The construction given this law by the Department heretofore has been, that articles that might be admitted free as "wearing apparel," were "limited to such as it shall be satisfactorily shown *had been* in actual use of the person bringing it into the United States." (Treasury Circular, April 12th, 1847.)

And the meaning of "personal effects" is thus stated:—

"The general description of personal effects, that they are such as are usually carried about the person of a traveller from place to place, is a very good one, and is adopted by this Department. It includes his trunk, his watch, his pen-knife, his pencil or pen, his stationery, his razors, &c., in short, every thing appertaining to his person, not merchandise." (Circular Instructions, September 28th, 1843.)

A circular was issued by the Department August 6th, 1864, specially enjoining it upon Collectors to be vigilant in the execution of this law. The following is an extract from it:—

"The examination of travellers' baggage will, under any circumstances, be a very unpleasant and annoying duty; nevertheless, *it must be performed.*"

The following are extracts from another circular of instructions to Collectors from the Department, July 25th, 1865:—

"Customs officers seem to entertain great fears, lest they should hurt some one's feelings, or be thought to do their duty too rigidly, and the result is, that they are laughed at behind their backs by immigrants and passengers, who very often succeed in getting various dutiable articles through without paying duty, of more or less, sometimes of considerable value. I shall be glad to know that you have no such squeamish officers among your subordinates. The Government can dispense with the services of all such. He who has not resolution and high sense of duty enough to overhaul the baggage, even of ladies, who are often smugglers, is unfit for his place."

Such were the views of the Department, and such its recent instructions in regard to the execution of this law.

On the 19th of August, 1864, a gentleman and three ladies arrived in the steamer from Europe. The gentleman made a written declaration that their trunks contained "clothing for three ladies and one gentleman," which he handed to the officer whose duty it was to receive it. This was done, as was apparent from what followed, with the expectation that the declaration would be accepted and the trunks allowed to pass without examination. The officer inquired whether they contained any *dutiable* articles, or anything besides *clothing in use*, and was told that they *did not*. The trunks were then passed on to another officer for examination. He soon found articles that were dutiable. The gentleman then said, "Do you examine so particularly as that?" When informed that the instructions were to examine sufficiently to ascertain whether there were any dutiable articles, he then said there was a "considerable quantity of new goods," and requested that the trunks might be sent to the Appraisers and opened there, as he wanted them handled carefully. This request was at once complied with. All this occurred before I heard of the case, and I never saw either the trunks, or the clothing, or the new goods.

The next morning, before I knew whether the examination had been made at the Appraisers, Mr. Hooper called on me at the Collector's office in a perfect rage of passion. He was very angry. I have rarely seen a man more angry. Coming up to my desk he demanded the trunks of the ladies and gentlemen, naming them. I replied that I knew very little about the circumstances of their detention, and must have more information before I could act in the matter. He walked back and forth, growing more excited, if possible, and said they had been sent to the Appraisers, and repeated his demand. I said again I could give no order till I had more information. This did not satisfy him, and he again demanded the immediate delivery of the trunks. I replied — somewhat in earnest by this time myself, — that they had been sent to the Appraisers by the Inspector for further examination, and properly, as it was my duty to suppose, and that he might rest assured, I should give no order for them till I received the report of the Appraiser, at the same time assuring him of no disposition to detain them a moment unnecessarily. Soon, while we were yet talking, the Appraiser's report was sent in to me. Without waiting to read the items I saw that it was made by R. K. Darrah, Assistant Appraiser, who certified to \$568.85 of dutiable goods at the foreign value, and to \$219.79 duties upon them, and told Mr. Hooper that I could not decide upon the case till I had learned all the facts, but was willing to order a delivery of the trunks with all

their contents, if he would sign on the back of the appraisement the following, to which he finally agreed : —

“ I agree to pay such sums to J. Z. Goodrich, Collector, as may be found to be due from (inserting the name) either as forfeiture, penalty, or duty, for bringing the goods into this port in his baggage which are described within.
(Signed) S. HOOPER.

“ Boston, August 20th, 1864.”

During our interview Mr. Hooper had a great deal to say about the impropriety of presuming to examine the baggage of respectable people who were above suspicion. His repeated demands were based on that impropriety. The law did not mean that people of respectability and character should be annoyed in this way. My reply, in substance, was that the law and my instructions were, neither to annoy or detain anybody unnecessarily, but to examine the baggage of everybody so far as necessary to ascertain whether it contained dutiable goods ; that if respectable people brought dutiable articles in their baggage, there seemed to be no reason why they, especially, should be allowed to pass them without paying the duty.

Mr. Hooper at length complained to the Secretary in behalf of his friends, and of the manner this law was being executed at the Boston Custom House. This I learned from Mr. French, the late Deputy, who was so informed at the Department. Finally, on the 19th of August, 1865, I wrote the Secretary, and after reciting the principal facts, added : —

“ The owners of the baggage, very respectable citizens of Boston, complained that the trunks were not allowed to pass without examination, and others, friends of theirs, who are influential citizens, have censured me severely for the course that was taken. The case is not disposed of, and I take the liberty of presenting it to you, as my orders came from you. I suppose the course pursued by my officers was the course of duty, but for the reasons indicated I shall be glad of the views of the Department.”

The Secretary replied, August 29th, 1865, among other things : —

“ You transmit a list of the articles, contained in the trunks in question, which were determined by the Appraisers to be dutiable, and the value, and rate and amount of duty affixed to each article. Excepting a small piece of carpeting of trifling value, the use of which I do not know, the articles on this list seem to correspond with the declaration made, being ladies' clothing ; and the quantity of them does not seem to me unreasonably large for three ladies, such as you represent these, returning from Europe, with the exception, perhaps, that the quantity of gloves and bonnets may be somewhat larger than usual, though not obviously excessive, if, as I conjecture, the persons you refer to, are among the wealthiest as well as most respectable citizens of Boston.

“ You say that friends of this party who are influential citizens, have censured you severely for the course that was taken. You do not state why you have been censured, and I do not understand from your letter upon what points in this case you wish the views of the Department, whether in regard to the quantity of the different articles, or otherwise. Please inform me.”

I thought I had made the ground of complaint against me clear, but the Secretary seemed not to understand me, so I wrote him again as follows : —

“ The law exempts from duty ‘wearing apparel *in actual use*’ only. (See Section 2, Art. March 3d, 1857.) * * * * *

“ The articles returned by the Appraiser were new, and had just been bought, none of them ever having been in use. It was not pretended that

they had been. No doubt they were by law dutiable. Besides the articles so returned, the baggage contained clothing for three ladies and one gentleman. The officer inquired whether the trunks contained any *dutiable articles*, or any thing besides *clothing in use*, and was told that they *did not*.

"The baggage was examined by another officer, and upon finding some of the dutiable articles, the owner then requested, not before, that they might be sent to the Appraisers and examined there.

"None of the dutiable articles were 'mentioned to the Collector,' as required by the Act of 1799.

"The particular point upon which I desire your views is, *Was it the duty of the officers of the Customs to make the examination for the purpose stated, and to detain the trunks so long as might be necessary for that purpose?*"

On the 7th of September the Secretary, in a letter to my successor, Mr. Hamlin, said, —

"I have before me a letter of the late Collector, dated 31st ultimo, in relation to certain baggage of passengers by the Asia.

"It has never been the practice to demand duties upon wearing apparel which passengers may bring with them into this country in reasonable quantities for their own actual use. The term 'wearing apparel in actual use' has not been considered *literally to mean what one wears upon the person*, but wearing apparel for the actual or personal use of the passengers, such as it would be supposed the station in life of the parties in possession would entitle him or her to make actual use of.

"The case mentioned in the late Collector's letter, — the character of the parties seeming to preclude any suspicion of dishonest intentions, — does not seem to require any further action."

Now a word upon this correspondence. I failed utterly to get the Secretary's views upon the only point I particularly asked or desired them, viz., whether it was the duty of the officers of the Customs to make the examination at all. This, I stated, was the ground of complaint and the cause of censure. It necessarily must have been, for that was all that had then been done; and, indeed, it was all I ever did except afterwards to request the owners by letter to pay the duties, but they never paid them, nor replied to my letter. They left the case to be managed by Mr. Hooper in Washington. But I did get from the Secretary an extraordinary construction of the law. He says: "Except a small piece of carpeting of little value, *the use of which I do not know* (as if that could make any difference), the articles in this list seem to correspond with the declaration, being ladies' clothing." The written declaration was "clothing for three ladies and one gentleman," and the added verbal declaration was, that the trunks did *not* contain any *dutiable* articles, nor anything besides *clothing in use*. But when the examining officer had discovered some dutiable articles, the owner then said there was "a considerable quantity of new goods." They had been bought just before sailing for this country. What were they?

	Value.	Duty.
A piece of Carpeting,	\$9.45	\$5.40
Artificial Flowers,	20.00	10.00
Four dozen pair Kid Gloves,	34.00	17.00
Seven Silk Bonnets	42.00	25.20
Thirteen Muslin, Silk and Lace Dresses,	355.00	144.25
Four dozen Linen P. Handkerchiefs,	38.40	13.44
Two Silk Cloaks,	40.00	14.00
Two Silk Mantillas,	30.00	10.50

\$568.85

\$219.79

And yet the Secretary says these "new goods," all dutiable according to the return of the Appraiser, and according to any construction of the law which has ever been given by a predecessor of the Secretary, or any construction which is not a manifest misconstruction, "correspond with the declaration." He adds: "The quantity does not seem to me unreasonably large for three ladies, such as you represent these returning from Europe, with the exception, perhaps, that the quantity of gloves and bonnets may be somewhat larger than usual, though not obviously excessive, *if, as I conjecture*, the persons you refer to, are among the *wealthiest* as well as most respectable citizens of Boston." (I said nothing about wealthy people, and he got this "conjecture" of course, from Mr. Hooper.) This is, to say the least, an unusual reason or rule by which to determine the quantity of *new* articles of clothing and carpeting persons may buy in Paris just before sailing for this country, and enter here without paying duty. The wealthier the persons the more they may buy and bring for *future* use. The Secretary would allow poor people to bring but little. But "*quantity*" has nothing to do with the question. *Any quantity brought into this country as these were, for future use, is an unlawful quantity to admit to free entry*, and this I do not hesitate to say both the Secretary and Mr. Hooper must have known. They certainly ought to have known it. "Wearing apparel in *actual* use," are the words of the law. And there is no difficulty in determining what the legal sense of the words "in actual use" is. The Secretary did not throw any great light upon their meaning when he said they had "not been considered *literally* to mean what was upon the person." Few would have thought so, even if the Secretary had not said that. But they *have* been considered, and by the Department, to mean only such articles "as it shall be satisfactorily shown *had been* in actual use of the person bringing them into the United States." This was the settled construction of the Department until these letters of the Secretary, and it was the true one. But if the Secretary's construction is to be given to the law, so that new articles of clothing, and carpeting, too (if what it is to be used for is not known), may be brought without paying duty, I submit that the poor should be allowed to bring as much as the wealthy; as much for future use, I mean. Now the wealthy are not allowed to bring more than the poor. Both are allowed to bring without duty *all* the wearing apparel which *had been* or *was* in actual use, and no more. If the wealthy do actually bring more, it is because from their position and wealth they have larger wardrobes in *actual* use. And the General Regulations, if correctly quoted, agree perfectly with the Circular of 1847, viz., "Such as it would be supposed the situation in life of the party in possession would entitle or *require* him or her to make *actual* use of." Actual use of *when*? Certainly not at some indefinite time in the future. The Secretary, in quoting this passage, omitted the word "require." But the passage obviously relates to the quantity which "had been" and was "in actual use," such as it would be supposed the station in life of the party had "required," and not to new articles of merchandise or clothing for use one, two, or five years hence. Persons may bring what their station has entitled or required them to make actual use of. Any other construc-

tion would be unreasonable and unjust, and the present law does not admit of any other.

Now apply the law to this case. The persons referred to had been spending some time in Europe. They had the wardrobe "required" for people visiting Europe "conjectured" to be wealthy, and perhaps fashionable. This, though probably large, they had a right to have passed as free baggage. And all this they had *besides* the "new goods." They had seven trunks, one chest, one bag, and one package. Now suppose they had remained in Europe six months longer, would they have bought these new articles when they did because "required" or needed for actual immediate use? The facts justify me in assuming that they would not. Suppose they had been in this country, would they have bought them when they did because in their station in life they would have required so many new articles for actual immediate use? I assume, again, that they would not. The truth undoubtedly is—they would not pretend to the contrary—they bought these new articles because they could buy them better there than here, not for immediate, but for future use. At any rate, they had not needed them before they landed at Boston. Before that time their numerous bonnets, dresses, gloves, handkerchiefs, flowers, &c., which had been in actual use within the meaning of the law, had been all-sufficient. They had a right to bring as many new articles for future use as they pleased, but the law required them to "mention all such articles to the Collector," and pay the duties on them. No sensible lawyer can say otherwise, *as the law is*, and no Secretary but Mr. McCulloch ever did say otherwise, and he is the last man who ought to have said otherwise to me and my officers, who were doing all in our power to carry out his positive and repeated instructions. He ought to have said the examining officers were entirely right, and I think he would if he had not allowed Mr. Hooper to advise him otherwise. *Under other circumstances, can anybody doubt he would have censured me severely, not merely for transgressing the law, but for violating his positive and pointed instructions, if I had allowed these trunks to pass without examination, or had admitted this list of new goods to free entry after examination.*

Suppose his interpretation of the law is carried out, what will be the practical effect? Whenever a passenger arrives with his wearing apparel which "had been" in use, and with new articles, more or less, for future use, several questions will at once arise with the examining officers in deciding upon the new articles. (1.) What is the situation in life of the passenger? It may sometimes be difficult to decide this exactly. But ascertained as near as it can be, the next question will be, How many new goods does that station in life entitle him to have passed without duty? And if the officer should "conjecture" the passenger to be one of the "wealthiest citizens of Boston," a third question will arise, viz.: How many more new goods would it be reasonable, in consideration of his great wealth, to allow him to take free of duty? But, to say nothing of the manifest injustice of favoring the wealthy in this way, how could you establish a uniform rule? From the necessity of the case the question, How much would be reasonable? would have to be decided by the opinion of the officer, and the consequence would be as many different opinions and results as there are different officers. On the whole, I doubt

whether it would be any improvement on the rule, as the law has hitherto been interpreted, of allowing free entry to all wearing apparel "in actual use," embracing all that "had been" used, and collecting duty on all the rest, including carpets, whether it was known what they were to be used for or not.

The Secretary closes his letter to Mr. Hamlin by saying that the case mentioned by the late Collector did not seem to require any further action, the character of the parties seeming to preclude any suspicion of dishonest intentions. Of course nothing dishonest was intended. All they proposed or desired was to pass the goods without paying the duties. When they said they had nothing but wearing apparel in use, they had some way of making it all appear right and honest in their own mind. And in this regard these passengers are not distinguished from a great many "respectable and wealthy" people. Some, when successful, instead of thinking they had done anything wrong, even congratulate themselves upon their skill, and perhaps, as the Secretary says, "laugh at the officers behind their backs." To such an extent is the public mind demoralized on this subject, I am quite aware the judgment of many will be that a very meritorious act was done by these passengers, and that Mr. Hooper did entirely right in using the influence he happened to have with the present Secretary, to set the law aside in favor of the "wealthiest as well as the most respectable citizens of Boston." For this is what was done. No further action meant, not even the collection of duty, and it has not been collected. The law provides that if "articles subject to duty shall be found in the baggage of any person arriving in the United States, which shall not at the time of entry be mentioned to the Collector, by the person making the entry, all such articles shall be forfeited, and the person in whose baggage they shall be found, shall moreover forfeit and pay treble the value of such articles." I never asked the forfeiture of the goods, nor the payment of treble in value, but did request, as I have said, a payment of the duty. The parties would have paid the duty in half an hour if Mr. Hooper (whom they will hold responsible for this notice of their case), had advised it. But he preferred to appeal to the Secretary, and never said anything more to me on the subject after the interview I have related at the Custom House. I don't know but he feels proud of his achievement, but it seems to me he must at times feel that this effort, though successful, to save for his friends \$219.79 in duties lawfully due the Government, was, after all, rather small business.

THE BORATE CASE.

\$12,271.10 IMPROPERLY REFUNDED ON EXPORTATION.

A letter from Mr. French, dated at Washington on the 22d of June, 1865, says:—

"I met the Secretary to-day, and after some talk about the recent developments of fraud in Boston, he commented with some prejudice, I thought, on the Borate case, and likened the discipline of the Department to that of a general officer.

"I showed, in brief, how Mr. Fessenden had determined, on a full examination, that you were not to be interfered with, *as on first view he had received an erroneous impression of the case.*"

It seems the Secretary, after I had made every possible effort, without success, to collect a large sum justly and lawfully due the Government as duties, and to prevent a palpable violation of law, and had reluctantly executed the order of the Department for the third time repeated, to refund the duties on the exportation of 1,363 bags of Borate of Lime, continued to make my conduct in the matter a subject of criticism. How justly, the facts will show. The following is a copy of a letter from the Department: —

“TREASURY DEPARTMENT, July 9th, 1864.

“Sir: — In a letter to you from this Department of May 31st, last, relative to certain Borate of Lime imported into the Port of Boston, Massachusetts, and seized for an alleged violation of the revenue laws, you were instructed, upon a discontinuance of the suit then pending by the District Attorney, to resume your custody of this merchandise, holding it subject to the further orders of this Department.

“You are now instructed to cancel the withdrawal entry for consumption made by Wm. Thwing & Co., if they desire it, and permit them to make an entry for exportation as in other cases, *as said goods have never been removed from the custody or control of the Government.*

“Respectfully,

W. P. FESSENDEN,
Secretary of the Treasury.

“J. Z. GOODRICH, Collector, Boston, Mass.”

By “exportation as in other cases,” was meant with benefit of drawback, or a return of the duties. The order was signed by Mr. Fessenden because he was informed the “goods had never been removed from the custody and control of the Government.” Knowing this was a mistake, and that the Secretary had been misinformed, I deemed it my duty to correct him, for the law is, “that no return of duties *shall be allowed* on the export of any merchandise *after it has been removed from the custody of the Government.*” I therefore explained the facts in a letter dated July 13th, as follows: —

“The merchandise was imported and entered for warehousing on the 28th of August, 1862. Two days after, on the 30th, the importers (Wm. Thwing & Co.) paid the duty and made a withdrawal entry for consumption. Whereupon a permit was immediately issued to the Storekeeper directing him to deliver it to them. It appears from the Storekeeper's return, indorsed on the face of the permit, that the goods were ‘delivered September 12th, 1862’ to Messrs. Thwing & Co. (they did not present the permit till then). On the 11th of October it was ascertained that the duty should have been assessed at 5 cents a pound, amounting to \$12,271.10, instead of 20 per cent. ad valorem, amounting to \$1,103.40, the sum actually paid, and Messrs. Thwing & Co. were called upon to pay the difference, which they refused to do, claiming that the article was ‘mineral ore of Borate,’ and subject to 20 per cent. ad valorem. On the 21st of October I proposed to send the General Appraiser and two merchants as experts to examine the article, and report to me what it was, in their opinion. Messrs. Thwing & Co. at first forbid an entry upon the premises, claiming that the importation had been delivered to them on a permit duly obtained at the Custom House, *which was true.* But upon my saying that I should obtain a search warrant to enter their premise, if they persisted in their refusal, they consented. The examination was made, and upon the report of the examiners the property was seized. I only desire to be certain that the facts are understood by the Department.”

It would seem hardly possible to imagine a state of facts more conclusively proving that goods had been removed from the custody and control of the Government to the custody and control of the importer and owner, than the foregoing. But it did not satisfy the Assistant Secretaries at the Department.

On the 26th of July, Assistant Secretary Field wrote me acknowledging the receipt of mine of the 13th, and said that Messrs. Thwing & Co. stated that "the merchandise remained where it had been ordered to go on the warehouse entry, in a private *bonded* warehouse, and has never been removed from the same," and desired information from me whether the statement was correct.

To that I replied on the 29th July that "it (the merchandise) was *never* in a *bonded* warehouse, except constructively; never *actually*, because it remained on board the vessel till it was delivered to Thwing & Co., and on their order it was put into a private warehouse, *private* in every sense, and *bonded* in no sense.

On the 16th of the following August, Assistant Secretary Harrington repeated the instructions to "permit an exportation from warehouse without payment of duty as in other cases of warehoused goods, returning the duty to the importers." He did this on the ground that no bond having been taken for re-delivery "the Government would still have control over the goods *wherever it might find them.*"

A more absurd idea probably never was broached. If that be so, goods in such case can *never* be taken from the custody and control of the Government. These goods, before they were seized, had been in Thwing & Co.'s possession forty days, and feeling sure there must be some mistake or something wrong about it, I still declined to execute the order.

Soon after this Mr. Fessenden, the Secretary, passed through Boston, and I saw him. Upon explaining the case to him it was apparent at once that he had not understood the facts. I told him I was confident exportation could not be allowed with a return of duties, without a plain violation of law, but that I should at once conform to his instructions if I could only be sure he understood the facts. He then asked me to state them to him in a private note, which I did.

On the 16th of September following I received from Assistant Secretary Harrington the following, among other questions, which he desired me to answer, which I did as follows:—

"If, upon the entry, a warehouse permit was given, and if so, was any bonded warehouse designated upon it, and what one?"

"I answer that a warehouse permit was given, upon which 'Kidder's bonded warehouse' was designated as the place of deposit."

"Was this 'Borate of Lime' taken to any bonded warehouse in pursuance of the designation on the warehouse permit, and if so, what one? If not taken on a warehouse permit, was it taken without such permit to a bonded warehouse, and if so, to what one?"

"I answer, it was not taken to any bonded warehouse in pursuance of the designation on the warehouse permit, nor was it taken to any bonded warehouse without such permit; in other words, it was never taken to any bonded warehouse."

"Was a bond for re-delivery given as required by the Act of May 28th, 1830, and if not, why not?"

"I answer, that at the time the Borate of Lime was withdrawn, 6,800 bags of 'Nitrate of Soda,' imported by the same parties, at the same time, were also withdrawn. A re-delivery bond, under the act of 28th May, 1830, was taken in a penal sum of double the estimated value of both articles, but in filling up the conditions of the bond, the Borate of Lime was accidentally omitted. Both were delivered to Thwing & Co., direct from the ship, on the permit issued when the duties were paid, and neither ever went into warehouse. The bond expired as soon as the 21st September, certainly, for the examina-

tion of the Appraisers was closed on or before the 11th September, as a permit was given on that day to release the two examination packages and deliver them also to Thwing & Co., and they were delivered. The demand for re-delivery under the bond, must have been made, if at all, within ten days from the Appraiser's examination, when the bond expired."

The idea that this Borate of Lime remained in the custody and control of the Government after it passed into the full, undisputed, actual possession of Thwing & Co., simply because it was not inserted in the condition of this bond, is, as I have said, absurd. What had the bond to do with the question of *custody*? and especially could have to do with it after it had expired by its own terms, and was a mere piece of waste paper? For the Borate was in Thwing & Co.'s warehouse at least thirty days after even the examination packages had been delivered, and the bond had expired long before it was seized. But the bond had nothing to do with the question of custody, either before or after it expired. If there had been any occasion to demand a re-delivery of the goods during the ten days before the expiration of the bond, this would have been the consequence. The Government would have had the security of a bond for the re-delivery of the Nitrate of Soda, but no such security for the re-delivery of the Borate of Lime. Not being in the bond, therefore, would seem to make the case, if anything, stronger against the custody of the Government and in favor of that of Thwing & Co. The Government had not even a bond to re-deliver the Borate.

I said further in my letter replying to Mr. Harrington's questions, as follows:—

"In the invoice the article is called 'Crude Borax,' while in the entry Thwing & Co. called it 'Mineral Ore of Borate.' On the trial it was proved to the satisfaction of the jury, who rendered a verdict for forfeiture, that Thwing & Co. knew the article was 'Borate of Lime' and subject to a duty of 5 cents a pound, but they entered it as 'Mineral ore of Borate,' subject to a duty of 20 per cent. ad valorem.

"The amount of duty paid at 20 per cent. ad valorem was \$1,103.40. The amount that should have been paid at 5 cents a pound was \$12,271.10. The amount unpaid, viz., \$11,167.70, it seems to me to be my duty to institute proceedings to collect."

Such were the facts as I presented them to the Department. A clearer case of fraud has rarely ever been presented to a jury. The evidence was abundant from Thwing & Co.'s own letters. But upon questions of law the case was finally decided in their favor, though the verdict was against them. Under these circumstances I saw no reason why, in violation of a plain and positive provision of law, they should be aided to evade not only the payment of the balance of the duty, but to receive back the amount already paid, and I deemed it my duty to institute proceedings to recover the balance, viz., \$11,167.70, and did so, and obtained security by attaching the property. The duty either on Borate of Lime or Crude Borax was five cents a pound, and there could have been no doubt of recovering that amount.

Some time after I forwarded the facts in a private note to Mr. Fessenden, Mr. Dorrance, the General Appraiser, saw him in Washington. He told Mr. Dorrance that if he had understood the facts he should not have issued the order for exportation; that he was satisfied the Collector was right, and should not interfere further, but allow him to proceed and collect the balance of the duty. Mr. Dor-

rance so reported to me on his return from Washington, and I acted accordingly. Afterwards I saw Mr. Fessenden himself, and he made the same statement to me. From September to the next March, when he left the Department, I had his approval in the prosecution to recover the balance of the duty, though the order to allow the export and refund the duty had not been formally revoked. It is hardly to be supposed that during all this time the Assistant Secretary had not learned Mr. Fessenden's views.

I heard nothing more till I received the following letter:—

“TREASURY DEPARTMENT, June 6th, 1865.

“Sir:— My attention has been directed by Wm. Thwing & Co. to the fact that the instructions given you on the 9th of July last in regard to the 1,363 bags ‘Borate of Lime,’ have not been complied with.

“The question submitted in your letter of the 13th of July, 1864, relative to the continued custody of this lime on the part of the Government, having been duly considered, it is my opinion that no *serious violation* would be done to the law or regulations, *by considering this merchandise as having been from the beginning in the custody of the Collector*, and therefore subject to withdrawal.

“You will therefore upon receipt of this, carry into effect the decision of my predecessor of the 9th July, 1864, a copy of which is inclosed. You will also after the ‘Borate of Lime’ shall have been exported, return to Wm. Thwing & Co. the money deposited with you as duties thereon; and you will direct the District Attorney to discontinue the suit now pending for additional duties upon this ‘Borate of Lime,’ upon the payment by them of the costs of said suit.

“Respectfully,
J. Z. GOODRICH, Esq., Collector, Boston.”

H. McCULLOCH, Secretary of Treasury.

It is perfectly easy to “consider” things to be true which are not. So it was easy to “consider” this merchandise as having been *from the beginning* IN THE CUSTODY OF THE COLLECTOR, though nothing can be more certain than that it was not. No *serious* violence! I hardly know what the Secretary means by serious violence to the law. His language implies that he thought the law was violated, but not *seriously*. When an importer pays the duties on his goods and takes them into his own possession, and means to do it, and the Government means to have him; when he “controls” them by giving directions where to store them on his own premises, and they are stored in accordance with his directions, and the Government means they shall be, as was true in this case, then the custody passes from the Government or Collector to the importer or owner,—the goods are “removed from the custody of the Government” to his “custody” within the meaning of the law. If this is not what the law means, then it is unintelligible. And when this is done the importer's right to a refund of duty upon exportation ceases, and every officer, from the President down, is *prohibited* from allowing it. The goods in James M. Beebe & Co.'s store were no more completely and absolutely taken possession of by them and in their custody, than was this Borate of Lime by Thwing & Co., and it would have been just as lawful to have refunded to Beebe & Co. the duties on every dollar of their merchandise if they had exported it, as it was to refund the \$1,103.40 to Thwing & Co. on the exportation of the Borate, or rather the \$12,271.11, for it was practically a refund of the whole amount.

When I saw Mr. McCulloch I alluded to this “Borate case,” but he refused in a very few words to hear anything on the subject, saying Assistant Secretaries Harrington and Hartley said it was right.

I knew the Assistant Secretaries had urged the arguments for exportation and refund, and Mr. Hooper had urged the same views upon me at the Custom House, and at Washington also, I had no doubt. Nevertheless, the balance of the duties should have been collected and paid into the Treasury. Why there should have been the persistent opposition to this course on the part of the Assistant Secretaries, I never could understand. I did all I could to have the collection made, and am willing to take the responsibility of having made the effort. If I erred, it was in finally obeying the order. But when it was repeated the third time, and I knew from the Secretary's reference to my letter of the 13th July, that he understood the facts, I informed him that his predecessor had been satisfied that I was right, and had decided to allow me to collect the balance of the duty, and then, feeling that the responsibility was not on me, I allowed the exportation to be made, and refunded the \$1,103.40 of duty already paid.

INTERVIEW WITH THE SECRETARY.

In the interview I had with the Secretary, already referred to, after he had declined to hear any explanation from me in regard to Mr. Dix's removal, I said if agreeable to him I should like to call his attention for a few moments to the subject of my continuance in office, to which, as I understood, it had often been called by others. He at once said, as near as I can repeat his words:— "Probably there will be a change; there has been no final decision, but that is the expectation. It will be made, however, in a way that will in no manner affect you, as you will all go out together" (meaning Collector, Naval Officer, and Surveyor), adding "*there is nothing in the affair against you.*" He went on to assign the reasons for the proposed change; said, to use his own words, "it is necessary on party grounds; the Republican organization cannot be sustained without making changes in offices so lucrative as these." I replied that I should be the last man to complain of a general policy such as he indicated, because in its execution it might reach me, but the difficulty was the Administration had no such policy; it was all the other way, so far as I knew. I referred to the recent re-appointment of the United States Marshal, District Attorney, and Postmaster of Boston. I know, said Mr. McCulloch, that is as you state, but I would not have re-appointed Mr. Palfrey. But did you not, I inquired, only the week before re-appoint Mr. Thomas, of Philadelphia, to the very office in that city which I hold in Boston, and at the same salary? Yes, he replied, that is true, but it was done with no understanding that it was to continue. I do not know, said I, how long it is to continue, I only know that he has just been re-appointed. I was re-appointed on the 13th of March by Mr. Lincoln, and I hold a renewed commission signed by him and yourself. The question therefore is, does the policy of the Administration and the best interest of the Republican organization — for it is on that ground you put it entirely — require Mr. Thomas's *re-appointment* and my *removal*? So far as I know there has not been a single removal among those who had been re-appointed by Mr. Lincoln. The rule has been to re-appoint, rather than to remove those who had been re-appointed. It will, therefore, look like singling out and removing me, not to sustain the Republi-

can organization, but for some other reason. This is substantially what passed between us on this point.

If this was the reason for my removal, and there was nothing in the office against me, is it not a little singular that the Secretary was not more frank and communicative on other subjects? It was more than two months after his confidential correspondence with the Messrs. Williams in regard to the rumored missing \$32,000, of which I had then heard nothing. If he had any suspicion against me of wrong in that matter, he had no right to tell me there was nothing in the office against me. If he had no such suspicion, why did he not confer with me, as well as with the parties who had paid so much, if not to bribe, at least to improperly influence somebody in the settlement — which is the only inference to be drawn from their own testimony. I was the Collector, and the very officer to confer with, if not suspected. And how came the Messrs. Williams to disclose the fact that they had made any such payment at all? for they must have disclosed it. I had heard of their great desire to procure my removal, and of their willingness to contribute liberally towards it, and it may be safely assumed that such was their desire. They certainly would have kept any such payment to themselves if some strong motive had not impelled them to disclose it. What other motive could have influenced them than the hope that it might in some way be used in accomplishing my removal? Assuming this to have been the motive, — and I can think of no other, — it shows the instrument the Secretary was wittingly or unwittingly using. How they first presented the matter in their correspondence with him, I cannot learn. That is *confidential*. But why should the Secretary treat it as confidential, so far as I was concerned, if there was nothing against me in it? It is known that Mr. Hooper, while talking with other members of the delegation in regard to my removal, said he also had a confidential letter from the Secretary, and that the Department thought there was something wrong about this Williams settlement. This was all before I saw the Secretary, and I inquire again, if he gave the true reason for removing me, and there was no suspicion against me, why did he not say something to me about this matter? If he suspected somebody else and not me, why did he not tell me he proposed to order an investigation before the grand jury? But if he suspected me, why did he not order an investigation before my removal, and notify me, that I might leave the office exonerated, or with the suspicion confirmed? Why was I kept in ignorance, and why, every now and then, were things allowed to come from the Department calculated to excite suspicion against me, if really there was none?

In reply to the Secretary's suggestion that the office was a lucrative one, I said I had made nothing by it during my first term, or during the war. You don't mean, he inquired, that you have not received a large salary and more or less perquisites. No, sir, I answered, but I gave it all beyond enough for my current expenses, which were not extravagant, to the support of the war in some form or other, either through the Government direct, or the various voluntary organizations which grew out of the war and were used indirectly as aids and supports to it. Finding myself in office when the war broke out, I determined while it lasted to devote what I made by it to the country.

in some way, and did. The Secretary responded, "I know it, Mr. Goodrich, I have learned all this from other sources, and have no doubt it is true; and I know another thing, I know you well enough to know that if you had not been in office, you would have done just as much for the war." I thanked him, and simply remarked that of course I should have had less to do with.

The Secretary did, however, finally say that I was unpopular with the merchants. This I admitted was true with a certain class of merchants, and if that unpopularity was deemed to be a sufficient reason for removal, when the cause of it was considered, I had not a word to say. I could not promise a change that would be at all satisfactory to the merchants referred to. I claimed, however, that it was not true with another class of merchants, importers and citizens, who desired an honest, impartial, and faithful administration of the office. As evidence of this I handed the Secretary papers of which the following are copies, furnished without solicitation on my part, which he read. I avail myself of them now not alone because they were part of the case before the President and Secretary, but especially because an attempt has been made to injure me as a man of integrity:—

"To the Hon. H. McCulloch, Secretary of the Treasury:

"Sir:—Will you permit the undersigned, merchants and citizens of Boston, to give expression to our hearty and entire satisfaction with the course of the Hon. John Z. Goodrich, during the four years of his Collectorship at this port; and to testify to the ability, impartiality, fidelity, and general public approval with which he has performed the various and difficult duties of his office. If he has not secured the full approval of the entire business community, we cannot but attribute any dissatisfaction which may exist, to the conscientiousness with which he has administered his trust, and to the determination he has continually manifested that the interests of the Government, so far as confided to him, might be always and fully protected and promoted.

"We venture, therefore, to express the earnest hope, that for the sake of the commerce of Boston and the benefit of the revenue service of the United States, it will be in accordance with the views and arrangements of the Department that Mr Goodrich should continue to occupy the position of Collector of Customs at this port, and trust that we may rely on your personal influence to that end. We have the honor to subscribe ourselves,

"Yours very truly,

"BOSTON, July 3d, 1865.

"J. M. Forbes,
Charles G. Loring,
Edward S. Tobey,
James M. Beebe & Co.,
James L. Little,
Charles Stoddard,
Samuel R. Payson,
Jabez C. Howe,
C. F. Hovey & Co.,
White, Brown & Co.,
J. Wiley Edmands,
E. A. Boardman,
Benjamin E. Bates,
William Claffin,
Homer Bartlett,
William Hilton & Co.,

Alpheus Hardy & Co.,
W. Ropes & Co.,
George C. Richardson,
John M. S. Williams,
Amos A. Lawrence,
Samuel H. Walley,
Thomas Lamb,
Osborn Howes,
Jas. H. Beal,
F. Haven,
T. P. Chandler,
Daniel Denny,
E. R. Mudge,
W. D. Forbes,
J. C. Tyler & Co."

"BOSTON, July 18th, 1865.

"Dear Sir:—I hear that there is an attempt being made by parties in this city to remove the Hon. J. Z. Goodrich from the office of Collector of this port. Mr. Goodrich has enjoyed, for a long time, the confidence of the sup-

porters of the Government in the State, and received his appointment on the unanimous recommendation of the Delegation.

"He has always labored earnestly for the success of the Union cause, and contributed most generously of his means for that purpose.

"No one questions his integrity, or his faithfulness and care of the interests of the Government. He has discharged the duties of his office with general acceptance, and the few complaints that are made are from those whose interests have been antagonistic to the Government, and who have felt themselves aggrieved by his care and vigilance.

"His removal at the present time would encourage those who are ready to defraud the revenue, to persist in their peculations, and deter honest and faithful officers from active perseverance in ferreting out corruption and fraud.

"Shall men who have swindled the Government out of hundreds of thousands of dollars, seek to obtain their revenge in this manner?

"I speak plainly, for I believe no good can come by the removal of the present Collector, and that it is mainly sought by those whose sympathies have not been, and are not now with the Government.

"I will add, that I am under no obligation in any way to the Collector, and that I have no interest in the matter other than to have a capable, faithful, honest man, as he has proved himself, in so important a position as the chief of the Boston Custom House.

"I am, sir, with the highest respect, yours truly,

"WILLIAM CLAFLIN,

"Chairman of the Republican Committee.

"TO THE PRESIDENT."

"WORCESTER, (Mass.), July 10, 1865.

"Sir:—I have been informed that some efforts are likely to be made to procure a change in the office of Collector of the port of Boston.

"I do not know who may be spoken of; but I do know that Mr. Goodrich, who has but recently received a re-appointment, is not only most faithful and able as an officer—fully up to the highest standard of requisite qualifications—but is in full sympathy and confidence with the Republicans of Massachusetts and New England.

"Mr. Goodrich, for the whole term of the existence of the Republican party, has been a generous and laborious friend. He labored in season and out of season as a member of the National Executive Committee, and was regarded, everywhere all over the country, as one of the pillars of that organization. His purse and his time have been given alike to the cause. I cannot see any possible reason why he should be relieved of his office.

"Very respectfully,

"ALEXANDER H. BULLOCK,

"Speaker Mass. House Representatives.

"THE HONORABLE, THE SECRETARY OF THE TREASURY."

The following extract from a letter from J. F. Bailey, Esq., so long Special Agent of the Department, to Secretary McCulloch, dated July 3d, 1865, I did not hand him, but he had received it through the mail:—

"I have known intimately the official character and conduct of Mr. Goodrich, and of all men whom I have so known, there is no one more loyal to public duty, more firm or clear in his political convictions and actions, or more frank and honorable in personal relations. I know of no officer of the Customs service whose conduct has been regulated more completely by the single consideration of duty, than in the case of the present Collector."

No man could have had a better opportunity to form a correct opinion of my official conduct than Mr. Bailey. It was part of his duty, as special agent, to inform himself on that very point.

Let me not be understood as objecting simply because I was removed from office. I never laid the leaving of office to heart a moment, and was glad to be succeeded by so true a man as Mr. Hamlin. In the matter of office holding

nobody has rights, — certainly I never claimed any — and consequently no one has a right to complain simply because he has been dismissed from the public service.

I was made Collector — the only office I ever held by appointment under the Government, — upon the unanimous request of the Massachusetts delegation. I did nothing whatever to obtain the office, and when the subject of my removal began to be agitated, I determined to do nothing to retain it. I however afterwards at the earnest and repeated request of a good many friends, consented to take the testimonials which had been voluntarily furnished me, and go to Washington, and present them with my respects to the Secretary, whom I desired to see also on other matters. I told him they represented correctly the general sentiment of Boston and vicinity, as I had been assured and believed, which was all I proposed to say on the subject. What further I said was in reply to statements made by him of his reasons for the removal. I never thought the Secretary was candid in what he said on that subject.

Let me rather be understood as only desiring, besides exposing gross frauds and improprieties, to maintain the integrity of my record as collector against any and all who have attempted to impeach it. If nothing had been done but to remove me, I should have been more than content and never made this exposition and defence. The exposition has sufficiently indicated my conduct and the principles that govern me, to enable every one to decide for himself whether I was right or wrong. That is the question, and the whole of it. Was my course as collector *right* or *wrong*? I have no interest in this question which is separate from the public interest. What I did as collector, I did for the public, and if it was right the public must approve it or lower the standard of honesty and morals. I think the standard should be raised rather than lowered. It is just as dishonest to defraud the Government as to defraud an individual, though many do not so regard it. And there are many ways of defrauding the Government. It may be done, and is often done, by a dishonest interpretation or perversion of the law, and this mode of taking money from the Treasury is just as fraudulent as any other.

As to my unpopularity of which so much has been said, I hazard nothing in saying that ninety-nine hundredths of it may be accounted for by the cases I have explained, and others like, are not very unlike them, which may be as satisfactorily explained, and shall be if necessary. Some of these are still pending, and cannot now be properly explained. But I should like to see the merchant who has been ready to disclose the exact truth, and conform to the requirements of the law, who has had any difficulty with me.

Quite too much stress has been laid on the want of commercial *experience*. How could more *commercial* experience have aided me in dealing with the Williams and Chenery frauds? They were simple and pure frauds, but no more difficult to comprehend because they occurred in commercial transactions. Even *less* of a certain kind of commercial experience would have been of decided advantage in the cases I have related. The truth is, as I intimated at the commencement, the greater want is more commercial *integrity*.

The law has been my guide, and I have believed in giving it the same interpretation to-day that was given to it yesterday, and the same also, whether applicable to our class or another.

The Difference.

My acts under Secretaries Chase and Fessenden were approved, and after a four years' term of service, the lamented Lincoln wrote me and said, "I am not aware of any objection, *personal, political, or official* to your re-appointment." But under Secretary McCulloch and President Johnson, my acts were disapproved, and in some instances Mr. McCulloch reviewed and reversed the decisions of his predecessors.

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A

By Wm Goodrich

DEFENCE

OF

THE MERCHANTS OF BOSTON

AGAINST

ASPERSIONS OF THE HON. JOHN Z. GOODRICH,
EX-COLLECTOR OF CUSTOMS.

By SAMUEL HOOPER.

BOSTON:

LITTLE, BROWN, AND COMPANY.

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By SAMUEL HOOPER.

BOSTON:
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1866.

1866. Dec. 28

Gift of
Chas. W. Bradbury
of Cambridge

CAMBRIDGE:

PRESS OF JOHN WILSON AND SON.

DEFENCE.

THE removal of a politician from office has not generally been considered of vital interest to the public; but, when his grief over the loss of office is obtruded upon public attention through the agency of an elaborately prepared pamphlet, filled with serious charges and imputations against private citizens and high officials, some good reason for it may well be demanded, or the pamphlet may be considered a fair subject for criticism and animadversion. The removal of the Hon. J. Z. Goodrich from office, as Collector of the Port of Boston, excited no public interest beyond the general satisfaction of the merchants of Boston, who had petitioned for a change of Collector; and the discussion of his removal, at this time, would be as unnecessary as was the publication of his pamphlet.

I appreciate the compliment of Mr. Goodrich, in attributing his removal from office to my influence over the President and the Secretary of the Treasury; but I cannot honestly appropriate it to myself, knowing as I do that the appointment of Mr. Hamlin was, in fact, carrying out the intention of the lamented President Lincoln. With that tender solicitude for the

feelings of others which was so marked a trait in the character of this great magistrate, he was anxious to make the change in such a way as to give the least offence, and consulted me in reference to it. I suggested that Mr. Goodrich might be glad to resign the duties and burdens of the office, if he was informed beforehand of the wishes and intentions of the President in regard to it. The communication was accordingly made to Mr. Goodrich, as I suggested; and the Collectorship was offered to Mr. Hamlin.

This occurred not long before the assassination of President Lincoln. It seems therefore unjust, knowing as Mr. Goodrich did this intention of President Lincoln, that he should ascribe his removal from office, as he has in his pamphlet, to circumstances and causes subsequent to that great calamity which overwhelmed the country with sorrow. Mr. Goodrich should not associate his petty grief with that great national affliction; but, if he must indulge resentment, it should be directed against the martyred President, and not against President Johnson or Secretary McCulloch, with whom I never exchanged a word on the subject of his removal.

Mr. Goodrich says, in his pamphlet, "After a four years' term of service, the lamented Lincoln wrote me, and said, 'I am not aware of any objection, personal, political, or official, to your re-appointment.'" The date of that letter is not given. If the whole of it had been published, would it not show that it was the communication made at my suggestion; and that the object of Mr. Lincoln, in saying what is quoted, was to soften the notice of his intention to remove him? Mr. Goodrich himself knows whether his re-

appointment, after being notified of this intention, was in pursuance of an understanding that he would voluntarily retire upon receiving that endorsement, whenever Mr. Hamlin was ready to enter on the duties of the office; and thus enable the President to carry his intention into effect without the unpleasant process of removing him.

The meeting of some of the Massachusetts delegation in Congress at the house of the Hon. Charles Sumner, to which the pamphlet refers, was, at the request of the Secretary of Treasury, confidential, and was not in reference to the removal of Mr. Goodrich, as that gentleman seems to have inferred, though his removal was understood, and was the subject of conversation, at the meeting. My official relations with the Treasury Department, as a member of the Committee of Ways and Means, in the House of Representatives, will account for the Secretary's addressing his letter to me.

It has been suggested to me, that there may be among my constituents some who might expect me to notice the pamphlet of the late Collector, so far as to expose its calumnies, and to refute the imputations upon the character of Boston merchants which it so grossly assails. Although personal controversy is always disagreeable to me, I cannot shrink from the performance of any task expected of me by those who are entitled to my warmest gratitude for the support with which they have honored me. At the same time, I concur in the opinion expressed by many, that, so far as this pamphlet refers to myself, it is unnecessary to notice it, as no one can read it carefully, without perceiving that it is an unwarrantable attack on pri-

vate character, by an officer who has not scrupled to use and pervert public records to intensify the expression of personal disappointment; and that the object of its publication was to give vent to the chagrin and mortification caused by the removal of its author from office.

Numerous engagements have delayed the preparation of this defence of the merchants of Boston, against the serious imputations contained in the pamphlet of Mr. Goodrich upon their well-earned and acknowledged reputation. The elections are now over. My constituents have again conferred on me the honor of representing them in Congress; and I deem it due to them, that I should now present to the public these pages, trusting that all who read them will see plainly that the strange calumnies of Mr. Goodrich are without just foundation, and are altogether impotent to injure that good name which Boston merchants have so long enjoyed.

Mr. Goodrich assigns, as the motive for publishing his pamphlet, certain telegraphic communications of Washington correspondents to public journals, which he alleges were semi-official from the Treasury Department, implying doubt, not only of the correctness, but of the integrity, of his administration of the Custom House. In the opening paragraph, the object is announced to be for the purpose of submitting to the public such a statement as would present in a true light the official conduct and integrity of his administration of the Boston Custom House, and his commercial experience as Collector. Mr. Goodrich seems, from what he says, to have been aware that there was a general impression of his want of commer-

cial experience, and, in the latter part of his term, of official misconduct, which he attributes to his attempts to reform the character of the merchants of Boston, and to raise their standard of integrity. With that perspicuity which pervades the pamphlet, he says the merchants "quite too often confounded so-called 'errors,' which resulted from the want of commercial integrity, with what they called 'mercantile usage;' and it was in that way, I think it will be found, that there came to be so many 'marked' errors in my administration." His growing "unpopularity," for thus attempting to raise the standard of integrity of the Boston merchants, could not have been prevented, he modestly says, by any amount of commercial experience and integrity on his part. Mr. Samuel A. Way, who was often consulted by him, seems to have been almost the only person who sympathized with, and fully understood and appreciated, that standard of genuine commercial integrity to which it was the object of Mr. Goodrich to raise the Boston merchants.

In a letter dated Paris, Dec. 19, 1865, printed in the pamphlet, apparently as a certificate of the integrity of Mr. Goodrich, Mr. Way says, "It is simple justice to Mr. Goodrich for me to say, that I never paid him, or knew of his being paid, one dollar either directly or indirectly; and I am confident he never received from Messrs. Williams & Co., or any one else, any sum of money on account of settlement, or any thing connected therewith. I write this without the knowledge of Mr. Goodrich, or any of his friends." There may be no reason to doubt that Mr. Way wrote this, as he says, without the knowledge of Mr. Goodrich; and that he may have

been confident Mr. Goodrich never received from the Messrs. Williams, or any one else, any sum of money on account of, or in any way connected with, that settlement. But how was it with Mr. Goodrich? Did he not intend, by publishing that extract from Mr. Way's letter, to convey to the public the impression that he received no money, directly or indirectly, for his own personal benefit, from those settlements with the Messrs. Williams; while he did in fact know that he had received a very large sum which went into his own pocket, and was retained by him as his own?

One-half of \$25,224 and one-quarter of \$100,000, exacted from the Messrs. Williams, were divided equally between the Collector, the Naval Officer, and the Surveyor, making over \$12,500 for Mr. Goodrich; and when examined under oath, by the District Attorney of the United States, in the investigation in regard to the surplus alleged to have been paid by the Messrs. Williams, and not accounted for, Mr. Goodrich admitted that Mr. Farwell had also paid him over \$4,000, which was in addition; increasing the amount he received to over \$16,500.

Mr. Moses B. Williams has testified, that Mr. Way informed him that he paid Mr. Farwell \$10,000 out of the surplus over and above the amount of Mr. Goodrich's receipts as Collector. Mr. Goodrich testified, in his examination by Mr. Dana, that he received \$4,000 from Mr. Farwell; but he stated that it was out of the portion which went to Mr. Farwell as informer; and therefore it was not a part of the \$10,000 paid by Mr. Way to Mr. Farwell.

If Mr. Goodrich as Collector, and Mr. Tuck as

Naval Officer, were entitled each to receive \$4,000 by virtue of any arrangement or agreement with Mr. Farwell, the special agent of the Treasury Department who brought the charge of fraud against the Messrs. Williams, the question naturally suggests itself, why their official associate, Dr. Phelps, the Surveyor of the Port of Boston, did not also receive a similar amount. Dr. Phelps was by law entitled to share with the Collector and Naval Officer in all money lawfully accruing from fines, penalties, and forfeitures.

If the amount of money reported officially to the Treasury Department as paid by the Messrs. Williams, in compromise of the claims made against them, was lawfully exacted, Mr. Goodrich as Collector, Mr. Tuck as Naval Officer, and Dr. Phelps as Surveyor of the Port, were each entitled by law to about \$12,500, as their respective portions of the amount. The additional amount of \$4,000 each, which Mr. Goodrich testifies that he and Mr. Tuck received from Mr. Farwell, but which Dr. Phelps did not receive, if it was on account of, or in connection with, the settlement of Messrs. Williams & Co., would seem to have been without the sanction, if not in direct violation, of law.

The report of the investigation made by the District Attorney, as well as the following letter of the Secretary of the Treasury, shows that the large amount of money received by Mr. Goodrich was in connection with the settlement of the Messrs. Williams; and therefore the statement in Mr. Way's letter, that Mr. Goodrich had received none, was incorrect, even if Mr. Way intended to refer only to money outside

of what Mr. Goodrich received as his lawful share of the penalties exacted from the Messrs. Williams for the Government:—

“TREASURY DEPARTMENT, June 21, 1866.

“SIR,— In answer to the inquiry contained in your letter of the 7th inst., I have the honor to inform you, that, from the Abstract of Fines, Penalties, and Forfeitures, received in the District of Boston and Charlestown during the month of May, 1865, furnished to the Department by J. Z. Goodrich, Esq., late Collector at Boston, it appears, that the sum of one hundred thousand dollars, paid by the Messrs. Williams in May, 1865, in settlement of their alleged frauds in the importation of Champagne wines, was disposed of as follows, viz.:—

To the United States	\$50,000
” ” Informant, W. B. Farwell	\$25,000
” ” Collector	8,334
” ” Naval Officer	8,333
” ” Surveyor	8,333
	\$50,000
	\$100,000

“The foregoing division of the proceeds is that which is by law provided:— One-half to the United States; one-half of the other moiety to the informer, if there be any; and the other half of the moiety to the Collector, Naval Officer, and Surveyor, in equal shares. (See Act of March 2, 1799, section 91.)

“It appears from an investigation of the transaction in question, made under my direction, that, at the time the above division was made, Mr. Farwell paid Collector Goodrich about \$4,000, in addition to his legal share as above stated, and also made similar payments to other parties; the same being made, as is alleged, from the proceeds of his share of \$25,000, as informer.

“A full statement of all the facts appears in the Report of Hon. R. H. Dana, United-States District Attorney, which has been called for by the Committee on Public Expenditures of the House of Representatives, and to which you are respectfully referred.

“I am, very respectfully,

H. McCULLOCH,

“Secretary of the Treasury.

“Hon. SAMUEL HOOPER, House of Representatives.”

It will be perceived, that the foregoing letter refers only to the Champagne settlement. Over \$4,000 was also received by Mr. Goodrich for the compromise of the Sherry case; making the total sum to him, from the settlements with the Messrs. Williams, as before stated, more than \$16,500.

If the object of Mr. Goodrich, as Collector of Boston, was, as he says, to raise the standard of integrity, and bring the mercantile usages of Boston merchants within what he and Mr. Samuel A. Way considered to be the proper range of commercial integrity, it was unfortunate that his course to effect this reform was so connected with the exaction of penalties, fines, and compromises, which largely increased the emoluments of Mr. Goodrich and the two other principal officers of the Custom House. The merchants did not understand it to be for the purpose of raising their standard of integrity, as it is explained in his pamphlet: consequently, Mr. Goodrich and Mr. Way, like many other great moral reformers, had the misfortune of finding their motives misunderstood.

The merchants believed very generally, when these claims were demanded and enforced, or compromised, that the Custom House was administered, in some degree, with reference to increasing, as far as possible, the fines, penalties, and compromises, one-half of which went to the Government, and the other half into the pockets of the Collector, the Naval Officer, and the Surveyor, if there was no informer to share it with them. The vexatious suits brought by Mr. Goodrich against merchants of the highest character and standing, and held over them for years without

being brought to trial, if the parties refused to compromise by a liberal payment of money, were considered by the merchants to be of the same character. Mr. Samuel A. Way offered his services to Mr. George M. Barnard, to Mr. B. C. Clark, and to others, to have the suits brought by the Collector against them compromised on favorable terms; but Mr. Barnard and Mr. Clark persistently refused to employ him, and those suits are still pending against them. Though some of those suits were instituted many years since, not one of them has ever been tried. There are even now many suits brought by Mr. Goodrich as Collector, in the United-States District Court, against different merchants, which for a long time have been, and still are, continued from term to term of the Court.

Mr. Way offered his services, in several instances, to settle the claims for fraud made by the Collector; but the largest successful operation of the kind in which he engaged was the case of the Messrs. Williams, which has been before alluded to. The history of this case, as stated in part by the Messrs. Williams, may, in the absence of Mr. Way and Mr. Farwell beyond the reach of legal process, throw some additional light, beyond what the pamphlet furnishes, in regard to the character of the administration of the Custom House during a portion of the term of Mr. Goodrich as Collector, and may account, to some extent, for its growing unpopularity with the merchants.

But there were other causes for the general impression that prevailed in regard to the commercial inexperience and official misconduct of Mr. Goodrich.

One was the appointment, early in his administration of the Custom House, of Mr. Carlos Pierce as truckman for the Government, which was an innovation on previous custom. Mr. Pierce never had been engaged in the trucking business, but was enabled to make an arrangement profitable to himself, by which that work was performed by others. It was also understood, that Mr. Goodrich was engaged in the manufacture of shoddy cloth, large quantities of which were reported to be furnished from his factory to the War Department, for the use of the soldiers, under contracts made in the name of Mr. Carlos Pierce, or of his business firm. Whether true or not, these were popular rumors at the time, and affected the reputation of Mr. Goodrich among the merchants.

I have been repeatedly told at the Treasury Department, that the complaints and appeals against Mr. Goodrich, by the merchants and others, were so frequent, that the Boston Custom House gave them more trouble than the whole of the other Custom Houses throughout the country. Since Mr. Hamlin commenced his administration, I have not heard a complaint of any kind against the Boston Custom House.

The pamphlet of Mr. Goodrich is published with a formidable titlepage, where the phrase, "the J. D. & M. Williams fraud," figures in large capitals. It is divided and subdivided into chapters and sections, with headings and capitals, and the whole is garnished with an alphabetical index, which is most unusual in such a publication. In exposing the singular errors of this elaborate performance, I shall first consider the case which Mr. Goodrich evidently regards

as the most important, and on which he has bestowed the largest amount of capitals. I begin with the startling accusation against the ancient and well-known firm of Messrs. John D. and Moses Williams, with whom I have only had a slight personal acquaintance; but Mr. Goodrich having connected my name with their case in his pamphlet, has induced me to examine it and to expose its character.

THE PRETENDED FRAUD OF JOHN D. AND MOSES WILLIAMS.

On the 24th March, 1865, the books and papers of J. D. & M. Williams were seized by Mr. Goodrich on a warrant obtained by him from the District Judge at his application, alleging fraud against the revenue. Soon after, Mr. Samuel A. Way called to inform the Messrs. Williams that the examination of their books at the Custom House had resulted in the discovery of large frauds in their importation of wine, which he advised them to settle by the payment of a considerable sum of money as a compromise to stop further proceedings. Messrs. Williams declined to do this at first, particularly in regard to the Champagne wines. Mr. Way came often to urge upon them the importance of making a settlement, as he proposed; offering his services and his influence at the Custom House to aid them, for which, he said, he should require no compensation. Mr. Way represented at times that the claims found against them for importation of Champagne wine amounted to more than two millions of dollars, for which all the real estate of old Mr. Williams would be seized, as well as their large stock of wines; thereby ruining them in credit and

property, and breaking up their business. Mr. Moses Williams, the senior member of the firm, was advanced in years, and had been much overcome and depressed by the death of his youngest son, who was killed at the battle of Cedar Mountain, in Virginia. The repeated and persistent representations to him by Mr. Way of the intended attachment of his property, and breaking-up of the business of the firm by the seizure of their stock of wines, worked upon him to such an extent, that he became exceedingly nervous, and so infirm, both in body and mind, that his family began to fear for his life. Under these circumstances, after various interviews, in which the threats of seizure were strongly urged, Messrs. Williams consented to compromise for the alleged frauds on the Champagne importations. The claim for Sherry wine had been previously settled.

They paid in all \$156,224 for the claims which had been made, — one on Sherry, and the other on Champagne importations; Mr. Way agreeing, in the latter case, that Mr. Goodrich, as Collector, should give a full discharge for any demands which the United States might have against them or Messrs. E. Codman & Co., arising out of any of their acts in relation to importations of wine to that date. One receipt for \$25,224 was dated the latter part of March, and another for \$100,000, with the full discharge, as promised by Mr. Way, dated May 8, 1865, both signed by Mr. Goodrich. The surplus of more than \$31,000, paid by the Messrs. Williams over and above the amount of those receipts, has not yet been satisfactorily accounted for, beyond the \$10,000 paid to Mr. Farwell.

The following is a copy of the receipt and discharge referred to:—

CUSTOM HOUSE, BOSTON, COLLECTOR'S OFFICE,
 \$100,000. May 8, 1865.

Received of J. D. & M. Williams and Edward Codman & Co., one hundred thousand dollars, in full satisfaction of all claims which the United States may have for duties, fines, and penalties, and forfeitures arising out of the importations of Champagne wines and other merchandise up to this date, or incurred by reason of frauds therein, or other improper conduct in relation thereto, or out of the acts of any and all the parties therein interested.

All books and papers of J. D. & M. Williams to be given up.
 (Signed) J. Z. GOODRICH, *Collector.*

It appears by the pamphlet, that the fraud alleged, for which the large sum of money was paid on the Champagne wine, was that J. D. & M. Williams had, for the previous five years,—the statute of limitations confining the claim to five years,—entered their wine at the Custom House, and paid the ad-valorem duty by invoices representing the cost, or foreign market value, of the wine at Reims, in France. Mr. Goodrich makes the groundless charge, that this wine should have been entered, and the ad-valorem duty paid, on its cost, including duty, freight, and all other expenses, delivered at their store in Boston. This alleged fraud Mr. Goodrich pretends to trace back nearly twenty years, and undertakes to prove it by mutilated passages from letters of the Messrs. Williams, and by printing in his pamphlet what he describes as extracts from letters dated in 1846 and 1847 from Mr. Roederer, their correspondent at Reims, stating that “fictitious invoices” are sent in the letters in accordance with their instructions, to be used at the Custom House for the entry of the

wine. No such letters as those thus published in this pamphlet were ever written to them by Mr. Roederer; and no such expression as "fictitious invoice" was ever used by Mr. Roederer in any letter in connection with any shipments of wine to the Messrs. Williams, either in 1846 or at any subsequent period. Mr. Goodrich gives in his pamphlet these pretended extracts, as from letters dated twenty years ago, in proof of frauds on the revenue committed since 1860 by this firm, which, he says, "has for so many decades taken first rank among the most respectable houses in Boston." The great fraud alleged by Mr. Goodrich, in his pamphlet, to have been carried on so long by that old and respected firm of John D. & Moses Williams, that "it came literally down from father to son," was the entering of importations of wine by the foreign invoice duly certified, as required by the revenue laws of the United States; instead of entering them at what they cost, including duty and charges of importation, delivered at their store in Boston.

This illustrates the commercial experience of Mr. Goodrich. The law required the invoice to state truly the cost or foreign-market value in the currency of the country whence imported.* It had never been supposed by any of his predecessors in the office of

* The invoice of all goods imported into the United States, and subject to a duty *ad valorem*, shall be made out in the currency of the place or country from whence the importation shall be made, and shall contain a true statement of the actual cost of such goods, in such foreign currency or currencies, without any respect to the value of the coins of the United States, or foreign coins, which now are, or shall be by law, made current within the United States, in such foreign place or country. — *Act March 3, 1801, ch. 27, § 2.* 2 St. at L. 121.

Collector, that the cost here of an imported article, after paying the duties and all the expenses to the delivery at the store of the importer, was the foreign market value of the article at the place of export; nor that the consular certificate and shipper's oath, required by law to accompany a foreign invoice for use at the Custom House, should certify the cost here, including duties and charges, to be the foreign market value at the place of production or export.

To avoid any imputation of unfairness in stating the charge of fraud alleged by Mr. Goodrich against the Messrs. Williams, his own words, as printed in the pamphlet, shall speak for him: —

“Prior to 1846, for several years, Messrs. J. D. & M. Williams had regularly received from L. Roederer, the manufacturer at Reims, in France, shipments of Champagne wine, familiarly known in Boston as the ‘Schreider brand.’ This wine was obtained by purchase from Roederer, under a contract entered into in 1841. The price paid was \$9 per dozen for quarts and \$10 for pints, deducting therefrom the cost of importation, such as freight, &c., and remitting the net amount so arrived at to Roederer on the receipt of each invoice or shipment.

“In July, 1846, Congress enacted a new tariff, which changed the duty on champagne from forty cents per gallon, specific, to forty per cent. ad valorem, which act took effect the following December. Prior to this, *all the Champagne thus imported by the Messrs. Williams was invoiced at \$9 and \$10 as the actual foreign market value.* The duty being then specific, no reason existed for any other than the correct market value being named in the invoices.”

This is the whole of the charge presented by Mr. Goodrich. Two of the passages I have italicized to call attention to the statements they contain. The first is, that the price of \$9 for quarts and \$10 for pints included the cost of importation, “such as freight, &c. :” the duty and other expenses of im-

portation embraced by the term “&c.” were to be deducted from the price of \$9 and \$10, “remitting the net amount so arrived at to Roederer on the receipt of each invoice or shipment.” According to this statement of Mr. Goodrich, therefore, \$9 and \$10 was the cost of the wine delivered at the store of the Messrs. Williams in Boston, after the duties and all the expenses of importation had been paid. Yet, after so stating it, Mr. Goodrich declares in the second of these italicized passages, that this price of \$9 and \$10 was “the actual foreign market value” of the wine at Reims, in France.

In point of fact, these wines were shipped by Mr. Roederer on his own account, under a contract with the Messrs. Williams, that they might purchase them after they arrived in the United States, the duty and all expenses of importation having been paid by Mr. Roederer, at \$9 for quarts and \$10 for pints; or have them stored for Mr. Roederer's account, and subject to his order, if the quality or condition of the wine was not satisfactory to the Messrs. Williams when it reached them. Previous to this contract being made, the Messrs. Williams had been in the habit of purchasing the wine in New York, at the same prices, of Mr. Roederer's agent there. The object of the contract was to secure wine of better quality and in good order delivered to them in Boston, and save the expense to Mr. Roederer of his agency in New York.

The following is a translation of a bill of wine sent by Mr. Roederer, which was used as the invoice before December, 1846, when the duty was specific, and only the quantity of wine was required to ascertain the duty at the Custom House:—

Messieurs JOHN D. & M. WILLIAMS and EDWARD CODMAN & Co.

To L. ROEDERER, DR.

To wine shipped by ship "Versailles" for Boston, in C. & W.

No. 14,192-14,225	84 baskets	half-bottles	champagne wine at \$10 . . .	\$340.00
" 14,226-15,425	1,200 "	whole bottles	" " \$9 . . .	10,800.00
" 15,426-15,775	350 "	half-bottles	" " \$10 . . .	3,500.00
" 15,776-15,805	80 "	whole bottles	" " \$9 . . .	270.00
" 15,806-15,825	20 "	half-bottles	" " \$10 . . .	200.00
				<u>\$15,110.00</u>

It is understood that the above wine is shipped to Messrs. Williams and Codman & Co., subject to their approval and acceptance on its arrival in Boston.

(Signed) pp. L. ROEDERER,
J. P. LORENSEN.

REIMS, June 26, 1846.

The following is a copy of an invoice sent by Mr. Roederer under the new law, which required the foreign market value in the currency of the country whence imported, verified by the oath of the shipper and the certificate of the consul:—

REIMS, le 5 Juin, 1847.

Facture à 1567 Paniers Champagne, expédiés par l'entremise de Mr. L. Ludin, au Hâvre, et embarqués sur le navire "Versailles," pour être adresses pour mon compte et en consignation à Messieurs. J. D. & M. Williams et Edwd. Codman & Co. à Boston, francs de tous frais jusq' à bord.

C. & W.

No. 18,606-19,905	1,300	Paniers Champagne en bouteilles, savoir pour le vin, les paniers, et les bouchons	fr. 81	
		Une douzaine de bouteilles	" 4	
		En tout pour chaque panier à bord	fr. 85	fr. 45,500
No. 19,906-20,172	267	Paniers Champagne en demi bouteilles savoir pour le vin, panier et le bouchons	fr. 80	
		Savoir deux douzaine de demi bouteilles	" 5	
			fr. 85	" 9,345
		<u>1,567 Paniers</u>		<u>fr. 54,845</u>

Le soussigné Louis Roederer, Negociant en vins, déclare sous serment, que la facture qui précède contient un compte fidèle et sincère des marchandises y détaillés à leur véritable valeur courrante à Reims, et de tous frais sur les dites marchandises; et que la facture n'est exempte d'autre escompte et rabais que ceux véritablement accordés au commerce. Je déclare également sous serment que les bouteilles et demi bouteilles ont été achetées par moi séparément vides et non pas avec le vin.

L. ROEDERER.

REIMS, le 5 Juin, 1847.

Certificate of Mayor of Reims attached.

The following copy of the actual settlement of this last shipment, — being the one per “Versailles,” referred to on page 8 of the pamphlet, — will prevent any misunderstanding in regard to the intention and meaning of the contract between the Messrs. Williams and Mr. Roederer, under which all the shipments were made: —

Account Sales of fifteen hundred sixty-seven (1567) baskets Champagne Wine, received into Boston by the Ship “Versailles, Capt. Hunt, for account of Mr. Louis Roederer, of Reims, France.

1847. Aug. 14. By J. D. & M. Williams and E. Codman & Co.,		
1,800 baskets whole bottles champagne at \$9	\$11,700.00	
267 „ half „ „ \$10	2,670.00	
		\$14,370.00
<i>Charges.</i>		
Entry and permit40	
Duties on 1,567 baskets,		
2½ gals. each	3,526	
Discount 5 per cent	176	
	3,850 gals. at 40c.	\$1,840.00
Duties on 152½ gross bottles at \$3	\$458.50	
Discount 5 per cent.	22.92	
		435.58
Freight at \$6 per ton of 30 baskets	\$313.40	
10 per cent primage	31.34	
		344.74
44 broken bottles	33.00	
Discount on invoice, one per cent	143.70	
Paid referee's fees in settlement of freight	2.50	
		2,299.92

Net sales \$12,070.08

BOSTON, Sept. 24, 1847.

E. & O. E.

J. D. & M. WILLIAMS,
per B. CONY.

Remitted for the above a bill on Paris at 60 days' sight.

It will be perceived, that Mr. Roederer received for this invoice the equivalent of $\$7\frac{7}{100}$ per basket, in a bill on Paris at sixty days' sight, remitted after the wine was received in the United States. It must certainly have been a losing operation to Mr. Roederer, if the market value of the wine at Reims in France was, as Mr. Goodrich declares, \$9 for quarts and \$10 for pints; for no deduction has yet been made for insurance, interest, banker's commissions, and transportation from Reims to Havre, which would reduce the value of the wine to less than \$7 per basket at Reims.

The wine shipped by Mr. Roederer to the Messrs. Williams was never invoiced at less than 33 to 35 francs per basket; and it will be perceived by the foregoing account sales, that it did not net Mr. Roederer \$7 at Reims. The fact that the shipments have been continued for more than a quarter of a century, in large and increasing quantities, would seem to be conclusive evidence that Mr. Roederer was satisfied with the result of the shipments, and therefore that the market value of the wine at Reims could not have been more than 33 to 35 francs.

Mr. Goodrich says, on page 8 of his pamphlet, "At first, Roederer decided that he could not put the price in the false invoice at 30 francs, as they had requested, and proposed to make it 35 francs, but finally acceded to this request, and made up his false invoices for the Custom House at 30 francs, which was \$5.58 per basket, instead of \$9 and \$10, the price actually paid, *less charges*." Mr. Goodrich makes this statement in the face of the facts as shown by the records of the Custom House, that the invoices

were in no instance at a less rate than 33 francs per basket, and that the Messrs. Williams never requested Mr. Roederer to invoice the wine at 30 francs, as Mr. Goodrich asserts.

When Mr. Goodrich seized the books and papers of the Messrs. Williams, he obtained possession of their letters from Mr. Roederer, all of them written in French. There are extracts in English, as from these letters, printed in the pamphlet, without stating that they are translations from letters written in French. The only object of these printed extracts, all of them from letters dated in 1846 and 1847, seems to be to support the charge of fraud against the Messrs. Williams on importations in 1860 and subsequently, by making it appear that Mr. Roederer, in his former letters, had called the French invoices, by which the wine was to be entered at the Custom House, "fictitious invoices," "made according to your instructions." There are five of these pretended extracts, each referring to what is called the "fictitious invoice" enclosed in the letter; but no such expression is found in any letter of Mr. Roederer. Since 1847, Mr. Roederer refers, in his letters, to these invoices as legalized, or as certified invoices; prior to that time, and in the five letters Mr. Goodrich pretends to quote, he calls them "*la facture simulée*," or, in English, "the *pro-forma* invoice." The only excuse that can be offered for the strange statement by Mr. Goodrich that Mr. Roederer ever called them "fictitious invoices" is his ignorance of the French language, and that he has been made to believe by some designing person that this was the proper translation of the French term *facture simulée*. A little

knowledge would have made him see the gross injustice that he was doing to a business transaction between two responsible firms on opposite sides of the ocean. The term employed has a fixed meaning very different from that attributed to it by Mr. Goodrich. On this point the evidence is explicit.

In a work published by D. Appleton & Co., New York, 1864, entitled "A Complete Vocabulary of the Technicalities of Commercial Correspondence, Names of Articles of Trade, and Marine Terms, in English, Spanish, and French," on page 165 will be found the following as synonymous expressions in these different languages: "English, *pro forma*; Spanish, *simulado*; French, *simulée*." The following letter gives additional evidence in regard to the proper translation of the term:—

LIBRARY OF CONGRESS,
WASHINGTON, July 12, 1866.

HON. SAMUEL HOOPER, M.C.

SIR,— With regard to the accepted meaning of the French commercial phrase, *une facture simulée*, I have the honor to state that it could only be translated "a fictitious invoice" through a gross misapprehension of its meaning. It is a term applied to invoices made out *pro forma*, for effecting insurance, or other purposes. In the French-English Dictionary of Professor Spiers, published at Paris (9th edition) in 1853, the secondary meaning of the word *simulée* is thus given: "2. (commerce) *pro forma*." I refer you also to page 82 of a "Manual of Commercial Correspondence, English and French, by a Merchant," published by George P. Putnam, New York, in 1850. Under the general heading of "Insurance Accounts," I there find the following French and English terms given as equivalents:—

"Facture simulée de Pro-forma invoice of."
"Compte do vente simulé de Pro-forma sales of."

With high regard, your obedient servant,

A. R. SPOFFORD,
Librarian of Congress.

After making the charge of fraud, as before quoted, Mr. Goodrich goes on to say, that "the story is best told from the letter-book of the Messrs. Williams themselves," and proceeds to give extracts from their letter-books; the first being of the 31st July, 1846; the latest being of the 15th November, 1847; with the exception of one letter from the Messrs. Williams, the date of which is not given, but which is stated to be in reply to a letter from Mr. Roederer, dated 21st December, 1864, in relation to reports of seizures made in San Francisco and in New York of some Champagne wine that was alleged to be undervalued. The extracts from these old letters are garbled, by changing some, and omitting other, passages that would tend to correct any impression that the letters were not written in good faith, and for an honest purpose. For example, in the letter dated Aug. 15, 1846, an apprehension is expressed that a shipment which had been ordered may be delayed so long as not to arrive until after Dec. 1st, when the new tariff would go into effect. The Messrs. Williams say in their letter, "But, in order to be prepared for any *accidental delay*, you had better invoice this shipment at as low a rate as your conscience will allow you to swear to it, because it must be accompanied by a consular certificate." Mr. Goodrich prints it, "But, in order to be prepared for any *accident*, you had better," &c. This may be thought not a very important change in the language; but the letter was definite in referring to the accident of the delay of the vessel to arrive until the 1st December, as the invoice and consular certificate would be needed only in that case; whereas the extract, as printed, leaves it indefinite what is meant by "acci-

dent," and, perhaps, was intended to strengthen the idea which Mr. Goodrich evidently wished to convey, by printing in italics the words which followed, that the price should be sworn to *at less than the actual value*. It was perhaps for the same purpose that he omitted to quote the closing sentence of the paragraph which follows in the original letter in continuation where his extract ceases: "*If we have called the wine at 23 francs too little, and the bottles, corks, and baskets at 7 francs too much, you must make them right. If the whole price, estimated at 30 francs, be also an improper one, you must make it right.*" In other words, invoice it right, if 30 francs, which we name, is too low; the sole object being to have the true foreign-market value, to enter the wine by at the Custom House, as required by the new law. In following the instructions contained in that letter, Mr. Roederer invoiced the wine at 35 francs.

Mr. Goodrich quotes the whole of the letter relating to the directions about the invoices, except this closing paragraph, which indicates that there was no concealed or fraudulent meaning in the request to swear to the invoices "at as low a rate as your conscience will allow." Previous to December, 1846, the duty was specific; and the Custom House, in ascertaining the duty, regarded only the quantity, and not the value, of the wine. The account or bill forwarded by Mr. Roederer — indicating the number of baskets, and the price in the currency of the United States, at the rate which the Messrs. Williams were to pay after deducting the duty and expenses of importation — was used as an invoice. This sufficiently explains why the Messrs. Williams were so precise in their

directions in relation to the invoices of the first importations to arrive under the new tariff law, which required the foreign-market value in the country whence it was imported. Mr. Roederer being a foreigner, ignorant of our revenue laws, and unfamiliar with the meaning of our legal phrases, it was natural that the Messrs. Williams should give him the most full and explicit directions and explanations as to the mode and form of invoice required by this change of the law. Nothing could be plainer, or more according to the ordinary course of business. Here is an obvious consideration, which explains the correspondence at this time. The letters of the Messrs. Williams, read in this light, are, to say the least, more consistent with an honest purpose on their part, than with the fraudulent intent which Mr. Goodrich so perversely attributes to them.

The next letter quoted by Mr. Goodrich contains, in the pamphlet, an italicized passage as follows: "*We want you to swear to the invoices, instead of Mr. Ludin.*" Why this request? The law required the oath of Mr. Roederer, and not that of his clerk, who attended to the shipment for him. Another letter, dated Aug. 14, 1847, states that shipments direct to Boston are preferred whenever it is convenient, because "we get along better with the Custom House here in Boston than in New York." The last letter quoted by Mr. Goodrich is dated in November, 1847, stating that it is unnecessary to send any other than the invoice containing the French cost or market value of the wine duly legalized, with consular certificate and shipper's oath. From that time, 1847, Mr. Goodrich says, no other invoice was sent.

Mr. Goodrich quotes one letter of Mr. Roederer—in relation to the shipment of 1567 baskets of wine by the “Versailles”—without giving its date: which was June 14, 1847. His extract from this letter closes with the words, “I hope this will satisfy you in all respects.” Mr. Goodrich then says, “This, however, does not satisfy the Messrs. Williams *in all respects*; for, under date of April 30, 1847 (letter-book F, page 44), they *replied* as follows.” If the date of that letter of Mr. Roederer had not been omitted, it would have been seen at once, by any casual reader of his pamphlet, that a letter dated April 30 could not have been, as Mr. Goodrich states that it was, written in reply to one dated June 14 of the same year. Is such evidence of an alleged fraud in accordance with the commandment, “THOU SHALT NOT BEAR FALSE WITNESS AGAINST THY NEIGHBOR”?

This finishes the story which “is best told from the letter-book of the Messrs. Williams themselves;” and is all the evidence Mr. Goodrich presents in support of the charge of fraud for which, with the aid of Mr. Way, the large sum of money was exacted from the Messrs. Williams.

Nothing could be more unfair and unjust than for a public officer to seize books and papers, and present to the public garbled extracts from them, and false or incorrect translations of portions of letters written in a foreign language, as evidence of a charge of fraud committed nearly twenty years after their date, for the purpose of blasting the reputation of a commercial house which had enjoyed the fullest confidence and respect for more than half a century. All moral effect of example is lost when men like John D. Williams

and Edward Codman, who acquired wealth and honor by a lifelong course of integrity and uprightness, and were followed long since to the silent tomb with the respect of the whole community, can be thus publicly denounced in their graves, on such frivolous and counterfeit evidence, as having been engaged all their lives in defrauding the revenue.

I have said enough to show the gross injustice that has been done to merchants of Boston. But there are other matters connected with this transaction which exhibit Mr. Goodrich in a most questionable character.

On page 17 of the pamphlet, Mr. Goodrich says, "Moses B. Williams testified, that, besides the \$125,224 paid to the Government, \$32,000 was paid to Mr. Way; but not one particle was to be paid him as compensation for his services."

Mr. Goodrich adds:—

"I take great pleasure in being able to say, that I have no belief whatever that one cent of this \$32,000 was paid to any officer connected with the Boston Custom House, including Mr. French, who was acting as special Deputy in this and a few other cases which arose before he resigned, as one of the regular Deputies, the 1st of April. I have the satisfaction of feeling that it was not deemed best to suggest to me that money could be had, if desired: at any rate, the suggestion was not made."

Some one must have received the \$32,000 referred to, "not one particle" of which was paid to Mr. Way, as compensation for his services. According to other testimony of Mr. Williams, Mr. Way told him he paid Mr. Farwell \$10,000 of that money. It is true Mr. Farwell was not an "officer connected with the

Boston Custom House." Mr. Goodrich has himself testified that he received over \$4,000 from Mr. Farwell. This testimony will hardly warrant, until a more full investigation can be made, the satisfaction expressed by Mr. Goodrich, "of feeling that it was not deemed best to suggest to me that money could be had if desired: at any rate, the suggestion was not made." Mr. Goodrich admits that he did receive money in connection with this transaction which by law he could not claim; and it can never be said with certainty that the sums of \$4,000 received by him and others from Mr. Farwell were not part of the \$32,000 referred to by Mr. Williams as paid to Mr. Way, until it is known how the whole of that money was disposed of.

Mr. Goodrich says that the Messrs. Williams "have sought, and I believe still seek, — *though convicted by their own tacit confession of their guilt*, — to blind the eyes of a credulous public by the plausible pretext that they have been made the victims of persecution."

This is unjust, as the Messrs. Williams have never yet presented to the public any vindication of themselves against this charge of fraud which Mr. Goodrich has publicly brought against them in his pamphlet. It is at least fair that the public should read and consider what they may have to say in vindication of themselves, and not condemn them upon the *ex parte* statement of one who was personally benefited to the extent of \$16,500 out of the money paid by them as a compromise of charges of fraud, alleged to be in amount over two millions of dollars, without giving them any definite information of the character of the evidence discovered in the

examination of their books (which were retained by the Custom-House officers, and beyond their reach, until the settlement was made), except what Mr. Way furnished them, and the statements by Mr. Goodrich to them that their books proved they were clearly liable for more than two millions of dollars. The Messrs. Williams, I am quite sure, can present circumstances and considerations for paying the money as they did, which will show how insulting is the public announcement by Mr. Goodrich, that, by making this settlement, they are "convicted by their own tacit confession of their guilt."

I do not propose to discuss the question of the conduct of a public officer, who, taking advantage of his official power to seize and examine the books and papers of private individuals, copies them without right, and then publishes them to gratify his private malignity. It is bad enough to publish them at all; but it is intolerable when they are garbled in order to sustain a foregone conclusion.

The consent to the payment of money by Mr. Moses B. Williams, who finally made the arrangement upon his sole responsibility, and without consultation with his partners, was, in my opinion, an act of moral weakness on his part, which has since been most painfully expiated. It was his intention that neither his firm nor Messrs. E. Codman & Co. should pay any part of it, as it was paid for the benefit of his father, who could well afford it from his large wealth; but, after the transaction became known to the others, they claimed that it justly belonged to them all to bear their proportion, as the money was paid to settle a claim which, however

unjust, grew out of their common business. The history of the whole transaction, and the motive of Mr. Moses B. Williams in consenting to the payment of money, is recorded in his letter, signed by the firm, dated June 12, 1865, in reply to the Secretary of the Treasury, of which the following are extracts:—

“On the 3d of April, a formal demand was made upon us by the Collector for \$557,820, as the value of the Champagne wines sent to us by Mr. Roederer since May, 1858, up to the time of the present tariff,—all this wine being alleged to be under-invoiced, and liable to forfeiture under the act of 1799; and we received written notice, that, unless we complied with this demand, legal proceedings would be commenced.

“Mr. Samuel A. Way, who is the senior member in a banking-house with Mr. French (late Deputy Collector, and son-in-law of the Naval Officer) now intervened in the matter, and intimated to us that the Collector would compromise the claim for \$300,000. This compromise we declined to make. A new warrant was now procured by the Collector, alleging frauds by our firm and Codman & Co. as importers of the Champagne wine, and our store was searched. Up to this time, we felt perfectly easy, as we had consulted counsel, and received a favorable opinion from them upon the matter. But now the health of our present senior partner, the father of the writer, who is approaching his seventy-fifth year, and who has within the last three years experienced severe domestic misfortune, began to be seriously affected; and we found, to our alarm, that his anxiety was producing sleeplessness at night and a nervous condition in the daytime, which it was impossible his constitution could long bear. We also found that this was clearly perceived by the officer of the customs. We were now notified by Mr. Way that a new demand had been prepared, covering all the Champagne imported by us since 1846, and amounting to between \$2,000,000, and \$3,000,000, on the ground that all statutes of limitation had been repealed by the statute of 1863;” also “that the Collector could commence proceedings for the whole \$2,000,000 or \$3,000,000, and attach our property for this claim, and keep it, with our books, &c., out of our possession for a great length of time. This would have stopped our

business; and, by depriving us of the personal custody of our large stock of wines for so long a time, would have materially diminished their value in the market when they were returned to us, besides in other ways seriously injuring our affairs, by the damage to our reputation, in a pecuniary point of view, especially at a distance. These considerations, and the belief (on the part of the writer) that his father could not long sustain the pressure daily brought to bear upon him, induced us to decide to compromise the claim, notwithstanding we believed it to be a most unjust one, and only urged for the purpose of extorting money from us."

The attention of the Department was first called to this alleged fraud on the importations of Champagne wine by a letter from W. B. Farwell, dated Boston, April 5, 1865. Later in that month, Mr. Farwell went to Washington to urge the Department to authorize the claims to be compromised for \$100,000. In a letter dated Washington, April 22, 1865, stating his reasons for urging compromise, he says: "From what I can ascertain in Boston, the main pecuniary responsibility of these two houses* rests to-day on Moses Williams, the only living representative of the old firms. He is a very old man; and it is represented that his hold upon life is very precarious." Again he says: "Every day's delay in the prosecution or settlement of the claim reduces — with the waning vitality of this old man, likely, as it would seem, at any time to cease entirely — the final chances of recovery by the Government, by circumscribing the number and responsibility of the parties against whom proceedings would be instituted."

Mr. Jordan, the Solicitor of the Treasury, was then sent to Boston, to examine and advise the

* J. D. & M. Williams and E. Codman & Co. ●

Secretary in regard to authorizing the compromise. He arrived in Boston, Monday evening, the 1st of May. The next evening, he left for New York, where he passed two days; and returned to Washington on Friday, the 5th of May. The next day he made a written report to the Secretary, in which he said, "The Government is barred from proceedings for penalties not incurred within five years, or for duties which have not accrued within six years. The portion of duties which have accrued within the latter period do not amount, probably, to more than fifty or sixty thousand dollars." He recommended the compromise; and his letter was accompanied by one from Mr. Tuck in favor of it, dated May 3; also a telegram from Mr. Farwell, dated May 5, at Boston, stating that Mr. Goodrich fully concurred in recommending it. On that day, May 6, the Solicitor wrote Mr. Goodrich that he was authorized and directed by the Secretary of the Treasury to accept \$100,000 in full settlement for all claims against Messrs. J. D. & M. Williams and E. Codman & Co. The settlement was accordingly made on Monday, the 8th May, as shown by Mr. Goodrich's receipt for the money.

There is in the records of the Treasury Department some unaccountable inconsistency with this statement. The letter of the Solicitor to the Secretary of the Treasury is dated Saturday, May 6; and it is endorsed as verbally approved by the Secretary on Monday, the 8th May. On Tuesday, the 9th May, the Solicitor is directed by a letter from the Secretary to stop all proceedings upon his oral approval of yesterday, in the case of J. D. & M. Williams. But

the Solicitor replied that it was then too late, as the approval was communicated by telegraph, and the settlement had been completed.

The precision in regard to dates in the foregoing paragraphs is important for the purpose of showing how little reliance can be placed on the accuracy of statements of Mr. Goodrich. Under the head of "The Settlement," in his pamphlet, he says:—

"As I had no authority to settle or compromise, I deemed it my duty to present the question to the Secretary, and did so. Soon after, Mr. Jordan, the Solicitor of the Treasury, visited Boston to advise in the matter. After laying before him all the facts, the question arose, what sum should be accepted of the Messrs. Williams in settlement. A conference on the subject was had between the Solicitor, Mr. Farwell, (who had aided the Government in the investigation), Mr. Tuck, (the Naval Officer), and myself."

This conference must of course have been held on Tuesday, May 2, as Mr. Jordan arrived in Boston the evening before, and left Tuesday evening. Mr. Goodrich goes on to say, that, after some discussion at this conference, —

"Finally, the sum of \$350,000 was agreed upon as the lowest that should be offered in settlement. I concurred in a settlement on this basis, though I had favored a larger sum. The Solicitor then had an interview with the Messrs. Williams at their counting-room, and offered to accept \$350,000 and discharge the claim. The offer was declined. I was then authorized to compromise for that sum, and, if not paid, directed to report the case to the District Attorney for prosecution, and the Solicitor returned to Washington, supposing all the statutes of limitations had been repealed, and that the Williamses were liable for the whole amount of the importations back to 1846. The negotiation proceeded upon the idea that they were thus liable, — they offering \$100,000, and the Government asking \$350,000. At length it was dis-

covered that by mistake one of the statutes of limitations had not been repealed, and that consequently there could be no claim on importations which had been made more than five years."

After making the important discovery that, "*by mistake,*" *there was a statute of limitations,* Mr. Goodrich says:—

"Mr. Way was untiring in his efforts to induce an acceptance of \$100,000 in settlement, and at length Mr. Farwell and Mr. Tuck deemed it best to accept that sum, and proposed that Mr. Farwell should go to Washington and present to the Secretary and Solicitor the reasons which had induced them finally to favor a compromise of \$100,000, and obtain the Secretary's authority to accept that sum if he should concur in their views."

Mr. Farwell then prepared a paper, to be signed by Mr. Goodrich, Mr. Tuck, and himself, recommending the compromise. Mr. Goodrich was unwilling to recommend it, but he says:—

"I was willing to concur in a reference of the matter to the Department, and to express my acquiescence in the proposition to accept \$100,000 if it should deem a settlement on those terms advisable. Mr. Farwell then altered the papers so as to express substantially that idea, and I signed it. . . . On the morning of the 6th May Mr. Farwell returned, and informed me that the Secretary had decided to accept the \$100,000, and the next day the mail brought a letter from the Solicitor, of which the following is a copy."

That letter is from Mr. Jordan, dated Washington, May 6, 1865, stating that he had submitted to the Secretary of the Treasury the facts and papers, and "he directs me to instruct you to accept the compromise proposed."

Such is the substance of Mr. Goodrich's prolix statement. Unfortunately for Mr. Goodrich, there is on file at the Department the written proposition made

by Mr. Farwell, when he was sent to Washington to recommend the compromise of \$100,000, dated April 22, 1865; being more than a week before Mr. Jordan went to Boston to examine and report to the Secretary whether, in his opinion, the \$100,000, as recommended by the Custom-House officers, should be accepted. Mr. Jordan did not return to Washington until the evening of the 5th May; and it was on the day after — viz., Saturday, the 6th May — that he reported the circumstances in writing, and recommended the settlement; presenting, among other papers in favor of it, Mr. Farwell's telegram to him, dated Boston, May 5. It was during a personal interview with the Solicitor that the Secretary approved the recommendation, and authorized the offer of \$100,000 to be accepted. The statement, therefore, of Mr. Goodrich, that, "on the morning of the 6th May, Mr. Farwell returned, and informed me that the Secretary had decided to accept the \$100,000," must be untrue. Mr. Farwell had not been in Washington that week, and Mr. Jordan's interview with the Secretary was on the same day; therefore it was impossible for Mr. Farwell to have returned from Washington, and given the information to Mr. Goodrich, on the morning of the 6th May.

It appears from Mr. Jordan's statement to the Secretary, that, after learning the facts of the case in Boston, he was decidedly of opinion that the proposed compromise of \$100,000 should be accepted. To examine and report upon the expediency of accepting this compromise, as recommended by the officers of the Custom House on the 22d of April, was the sole object of Mr. Jordan's visit to Boston.

After April 22, when Mr. Farwell had been at Washington and recommended the settlement for \$100,000, and up to the last day when the settlement was made for that sum, (May 8), the old man, as Mr. Farwell describes him in his letter, whose "waning vitality was likely, as it would seem, at any time to cease," was followed up, and worried with the same representations, as before, of the amount of the claims of the Custom House being millions, with threats of seizure of his property; and Mr. Jordan was represented as refusing to consent to a less sum than \$350,000; apparently for no other purpose than to obtain a larger sum than the \$100,000, as recommended to the Department. This object was accomplished by Mr. Way, who finally obtained the consent of the Messrs. Williams to a settlement for \$120,000, which, Mr. Way stated soon after to Mr. Moses B. Williams, had been accepted, when in fact, as afterwards appeared, the settlement was assented to and made for \$100,000. Why were not the Messrs. Williams officially notified of the determination to settle for \$100,000, instead of leaving it to be communicated by Mr. Way, thereby enabling him to get from them \$20,000 beyond the amount determined on at the Custom House?

Mr. Goodrich lays great stress on the fact that Mr. Way was employed and acted, in these cases of compromise, as the agent of the parties, and not as the agent of the Government. It will be seen in what sense he was an agent of the parties. Mr. Way went to the Messrs. Williams with the information, that, in the examination of their books and papers seized by the Collector, a fraud had been detected,

and offered his services to settle it. Who furnished Mr. Way with the information, and instigated him to communicate it to the parties, and offer his services to settle it? It could come only from the Custom House. If the offer of his services is accepted, it is true that he then becomes technically an agent of the parties for that special purpose, even though he had been authorized by the Custom House, and furnished with the information requisite to show the parties that he had access to, and possessed influence in, the Custom House. In no other sense than this was Mr. Way the agent of the Messrs. Williams in their transactions with Collector Goodrich.

Any one who has known Mr. Goodrich well must have perceived that he has an obliquity of mind which prevents his recognizing any facts that contradict an opinion he has expressed, or an assertion he has made; and that his memory cannot retain any correct recollection of circumstances that would prove him to have been, or to be, in error. Every page of his pamphlet shows this peculiar disease of his mind, which makes it impossible for him to see or to value truth. Nothing any one could say, no decision of any superior officer, no decision of any court of justice, no verdict of a jury, would affect his opinion, or convince him that any assertion of his has been wrong or mistaken. He will go down to the grave in the firm belief, that "the foreign market value or cost" of an imported article includes the duties and other charges on its importation, and that the writers of French dictionaries and vocabularies do not understand the French language. In the suits brought

by Mr. Goodrich, so long pending against merchants of Boston, in the District Court of the United States, the trouble is probably the absence of any facts to support the charges. To the mind of Mr. Goodrich, clearer cases of fraud were never brought into court. But the District Attorney knows that the Court will not receive opinions or assertions as evidence, without facts to sustain them; and they will probably never be tried. I understand that many of them would be at once withdrawn, if the parties against whom they are brought would acknowledge "probable cause."

THE PRETENDED BORATE FRAUD.

The "Borate Case," referred to in the pamphlet, was an amusing instance to every one but the importer, of that peculiarity in the mind of Mr. Goodrich. The decision in the suit was in favor of the importer, also the decisions of two successive Secretaries of the Treasury. But that made no difference to Mr. Goodrich. He still insists that there never was a clearer case of fraud. This importation was made by Messrs. Thwing & Co., of Boston, and entered at the Custom House as "mineral ore of borate," subject to a duty of twenty per centum, amounting to \$1,103.40. Mr. Goodrich seized it, alleging that it was "borate of lime, or crude borax," subject to a duty of five cents per pound, amounting to \$12,271.10, which was more than it would sell for after the duty was paid. After the judgment in favor of Thwing & Co., although Mr. Goodrich said "a clearer case of fraud was never presented to a jury," the Secretary of the Treasury,

Mr. Fessenden, on the 9th July, 1864, directed further proceedings to be discontinued, and that the owners should be allowed to export the article. But Mr. Goodrich persistently remonstrated; and, though he could not induce the Secretary to revoke his directions, he delayed any action, until it was finally disposed of by a peremptory order from Mr. McCulloch to obey the directions given nearly a year before by Mr. Fessenden.

All I had to do with this case was once to urge Mr. Goodrich to comply with the directions of the Secretary, who was indignant at his conduct in disobeying the instructions from the Department of the 9th July. The case was a difficult one to decide, in the opinion of every one but Mr. Goodrich, whose explanations of it were about as clear and lucid as the statement concerning it in his pamphlet. The article was certainly not what is generally known in commerce as "borate of lime," nor "crude borax," subject to a duty of five cents per pound; but the difficulty was in designating it, after determining that it was not the borax of commerce. This difficulty was settled by the Department assenting to the proposal of the owners to export it. Mr. Goodrich says, "When I saw Mr. McCulloch, I alluded to this 'Borate case;' but he refused, in a very few words, to hear any thing on the subject." I am quite sure that any one who once listened to an explanation of it from Mr. Goodrich will be equally unwilling to hear him allude to it again.

THE PRETENDED CHENERY FRAUD.

Another of the subjects of the pamphlet appears under the title of "Chenery & Co. and Dix Case Mr. Hooper's Report."

In July, 1863, the Secretary of the Treasury (Mr. Chase) requested me to examine and ascertain the circumstances in connection with the removal of Mr. Timothy B. Dix from office in the Custom House, and to report to him my opinion; expressing also the wish that I would confer with Mr. Goodrich, and that, if possible, he should concur with me in my report on the subject. Various documents connected with the matter were enclosed to me, that had been sent to the Department by Mr. Goodrich.

I called on the Collector, and showed him the letter from the Secretary: he read it, and returned it to me, remarking that the subject was closed, and he should have nothing to do with it, or words to that effect. I stated in my report, that "the Collector declined to confer with me on the subject." I took care to verify all the other facts stated in the report, by consulting merchants and others who were familiar with the details of business at the Custom House; among others, Mr. H. D. Cleary, who was the "foreign-entry clerk," and had been in the Custom House for thirty years or more, and Mr. R. S. S. Andros, whose long experience in the Custom House, and familiarity with the laws and practice of the Revenue Department, are well known. All of them concurred with me in the views expressed in my report to the Secretary of the Treasury. And Mr. Andros confirmed all my statements in a letter which was appended to my report.

But Mr. Goodrich pronounces all my statements "utterly and inexcusably false, Mr. Hooper knew better;" and he says Mr. Andros "ought to be heartily ashamed of having expressed such an opinion. A man who had been as familiar with Custom-House matters as he had, ought to have known better."

It is hard for one who entertains any self-respect to enter into controversy with a person who possesses so little of the commonest sense of propriety as Mr. Goodrich. He may argue as much as he pleases to prove the impropriety of an existing practice; but the facts I stated in regard to the existence of the practice at the Custom House are well known to every one conversant with business at the Custom House, either in Boston or New York.

Mr. Dix was removed by Mr. Goodrich on a charge of fraud in the administration of his office. To make out the charge against Mr. Dix, it was also necessary to accuse Messrs. Chenery & Co. Mr. Goodrich says, "The Williams fraud was greater in amount, but the means employed were no worse;" and adds that "men high in military and civil position have sought to justify it, and the parties to it, at the Department." Major-General Dix was the only one "high in military and civil position" connected in any way with this case, and must therefore be referred to. The "gross fraud," as Mr. Goodrich calls it, resulted from the practice at the Custom House of considering the last day of deposit and the day of delivery out of any portion of a cargo that had been entered for warehousing, without having actually been in warehouse, to be the date of deposit for the whole cargo. This

practice may have been abstractly wrong; but it had been, and was then, the practice at the Custom House in New York, as well as at Boston.

In the case in question, the privilege of entry for consumption at the old rate of duty expired three months after the deposit. Chenery & Co. came to the Custom House to make their entry, and pay the duty, on the 28th October. The record of their deposit was dated the 26th July: accordingly, the time had passed to make the entry at the old rate of duty. Chenery and Co. said the record was not correct. The Custom-House clerk referred to Mr. Dix, as the head of that department, who said they could not go behind the record. Chenery & Co. stated that the date of the deposit should have been Monday, the 28th, and not Saturday, the 26th July. Afterwards, the storekeeper, Mr. Paine, who made the original record referred to, came to Mr. Dix, and satisfied him that the date, following his usual practice, should have been the 28th July; and, stating that it was his error, he asked Mr. Dix if he could correct it; to which Mr. Dix replied that Messrs. Chenery & Co. ought not to suffer by his error, and, if the date was wrong, he might correct it. Mr. Paine, the storekeeper, then changed the date to the 28th July, and Messrs. Chenery & Co. made their entry accordingly.

The whole question was, whether the date, which the storekeeper said had been wrongfully recorded by him as the 26th July, could be corrected. As a matter of equity, any doubt should have been construed in favor of Chenery & Co., to relieve them from the effect of an accidental error of a day in their date; the question being whether the correct date was on Saturday or the following Monday.

If there was fraud in this case, it would seem that the storekeeper, Mr. Paine, who altered the date, was the guilty one. He had been selected and appointed to his office of storekeeper by Mr. Goodrich. Was he punished? It is said he resigned his place, under an assurance from Mr. Goodrich that he would re-appoint him the next month. However this may be, it is certain that he was re-appointed as storekeeper within a month. The clerk under Mr. Dix, who had the care of the records, and who had been a faithful officer in the Custom House for more than twenty years, also resigned, at the request of Mr. Goodrich. Mr. Dix was told by Mr. Goodrich, that, if he did not resign, he (Goodrich) would remove him. With a proper sense of self-respect, Mr. Dix declined to place himself in the position of making such a "tacit confession of guilt" in a case where he was unconscious of wrong. After serving the Government faithfully for about seventeen years, in a comparatively humble position at the Custom House, respected by all his associates there, and by every one who knew him, for his integrity and uprightness, he was unwilling to dishonor himself by an act of his own, as he would have done by complying with this request to resign. Mr. Goodrich then brought against him a charge of fraud in the administration of his office, and removed him.

After a careful examination of all the circumstances, I was entirely satisfied that Mr. Dix had not been guilty of any fraud; and Mr. Chase, the Secretary of the Treasury, told Mr. Goodrich in my presence, that, even on his statement of the facts, he could not charge Mr. Dix with any thing beyond an error of judgment. Mr. Goodrich appeared to be wholly ig-

norant of the existence of the practice referred to in regard to the date of deposits in warehouse: indeed, he was never familiar with the general details of Custom-House business. It seemed to me, as it did to Mr. Andros, that there was no intention of fraud, and that the conduct of Mr. Dix in this transaction was in conformity with the practice at the Custom House, and the usual construction of the laws there. I was confident that time and reflection would vindicate Mr. Dix; and I am happy to know that he is now restored to confidence, and occupies at the present time a higher and more lucrative position in the Custom House than before he was removed by Mr. Goodrich.

The following letter from Major-General Dix may explain why Mr. Goodrich, with that peculiar obliquity of his mind, may have been inclined to be vindictive and unjust toward Mr. T. B. Dix, and to ascribe to him a degree of responsibility and of guilt in the Chenery transaction, which required his dishonorable discharge, but which, in the case of Mr. Paine, required only a suspension of a month from his duties as storekeeper:—

NEW YORK, 10th August, 1866.

HON. SAMUEL HOOPER.

Dear Sir,—Understanding that you propose to notice a pamphlet recently published by J. Z. Goodrich, late Collector of the Customs for the Port of Boston, I deem it due to you to state my recollection of the facts, showing a purpose on his part to use the position held by my brother, T. B. Dix, as a means of providing for his brother-in-law, and ending in my brother's removal on an unfounded charge of infidelity to his official duties.

Late in June, 1861, soon after I entered the military service, my brother informed me that Mr. Goodrich had indicated a determination to remove him from the place he held in the Custom

House in Boston, unless through my influence Mr. John H. Strong (Mr. G.'s brother-in-law) should be appointed to a place of equal pecuniary value in the Custom House in New York.

Shortly afterwards, Mr. Goodrich, who was in Washington while I was there waiting for a command, addressed me a note, of which the following is a copy : —

“GENERAL DIX, — I hope to leave at half-past two to-day. The name of my friend is John H. Strong. Your letter to Mr. Barney will reach me if left in my box, 39, at the bar, before I leave. If that should not be convenient, send it to me at Boston, if you please. I want to send with yours a letter of my own to Mr. Barney. Your obedient servant, J. Z. GOODRICH.

“WASHINGTON, Willard's, July 11, 1861.”

This note I immediately filed, and endorsed as follows : —

“J. Z. Goodrich,
rascal,
July, 1861.”

The original can be produced, if needed. The endorsement shows in what light I considered Mr. Goodrich's proposition. Mr. Strong is a gentleman, as I was told, of unexceptionable character ; and I did not hesitate to give him a letter of recommendation to Mr. Barney.

I have reason to believe that Mr. Goodrich made the proposition, in the nature of a trade of one of these gentlemen against the other, to Mr. Barney ; and that the latter regarded it as a proposal not fit to be made or entertained.

I do not remember to have heard any thing further in regard to it for more than a month ; when I addressed a letter, of which the following is a copy, to Mr. Barney : —

“[Private.]

“FORT McHENRY, 26th August, 1861.

“DEAR SIR, — I have a brother in the warehouse department of the Custom House in Boston. He has held the place, I think, some twelve years. During that time he has not been as many days absent from his post. He is capable, faithful, and loyal, as his ancestors have ever been since the landing at Plymouth. In June last, Mr. Goodrich, the Collector at Boston, came to me at Willard's, and told me my brother would be retained if his

brother-in-law, Mr. John H. Strong, of Stockbridge, could be provided for in New York. I thought it, I confess, rather an extraordinary proposition; and I did think of bringing it before the Secretary of the Treasury. But I concluded to say nothing about it; and, Mr. Strong having been recommended to you by the Collector, I wrote you a line in favor of his appointment.

"I have a letter from my brother to-day, in which he says, 'I have had an interview with the Collector. He sent for me to say, that, unless John H. Strong, of Stockbridge, is provided for by the Collector of New York, he will be compelled to give the said Strong my place.'

"There is no complaint against my brother. His retention *on condition* shows that there is no ground for his removal, except to provide for the Collector's brother-in-law.

"I could, on a statement of the facts, get an order from the President, or the Secretary of the Treasury, not to disturb my brother; but I do not wish to trouble either of them with a matter which is quite distasteful enough to be dealt with in any way.

"I am doing all I can, giving up the comforts of home, to aid the Government; and it seems not the thing that my family should be made the object of proscription, and for \$1,400! — the salary my brother receives.

"I would like a line from you.

"With sincere regard, yours, JOHN A. DIX."

The original letter is in possession of Mr. Barney.

The following is the first paragraph of Mr. Barney's reply: —

"NEW YORK, Sept. 7, 1861.

"MY DEAR GENERAL, — The *bargain* proposed by the Collector of Boston would impose on me an appointee irrespective of his qualifications, — a subordinate independent of my control. However inefficient or unfaithful he might be, I could not apply to him the discipline of the office without imperilling the position of your brother. Such an arrangement offends my sense of propriety, and would be unjust to your brother."

The original is on file at the Treasury Department.

Mr. Barney offered to appoint my brother to a place in the Custom House in New York. I told him my brother did not wish to remove to New York; that he was born in New England, had lived there all his life, and there he wished to remain.

I then laid the case before the Secretary of the Treasury, Mr. Chase, who directed that my brother should not be disturbed.

Mr. Strong was appointed to a place in the Boston Custom House by his brother-in-law, Mr. Goodrich, and, I am told, is an excellent officer.

Not being able to get rid of my brother in any other way, Mr. Goodrich brought against him a charge of infidelity to his trust, and recommended the appointment of Mr. Hosea Illsley in his place. In the absence of Mr. Chase, the change was sanctioned by the Assistant Secretary, without the knowledge of the former. Even this sanction was indistinct; and, had the Secretary been at his post, it would not have been given without examination.

Every investigation which subsequently took place exonerated my brother from all censure, except that made by Mr. Bailey, which was altogether *ex parte*, and without any notice to him, — a wrong very little inferior to the original injustice. Mr. Deputy-Collector Hanscom, who, I am told, had Mr. Goodrich's entire confidence, stated, in a report made to the Treasury Department, that "Mr. Dix's character for personal and official integrity was unimpeached in this transaction."

Mr. Chase never justified Mr. Goodrich's course in conversation with me, or in any communication addressed to me. Mr. Fessenden declined to interfere, because the case had been disposed of by his predecessor. Mr. McCulloch, who took the more enlarged and liberal view that a wrong ought not to outlive the power to remedy it, interposed; and, at his request, my brother was appointed to a place in the Custom House by Mr. Hamlin, the present Collector. Thus the injury to my brother's good name was redressed where it was inflicted, — the precise redress which I have always insisted on as a simple act of justice to him.

Mr. Goodrich lays stress on the fact, that two years elapsed between the attempted "bargain" and my brother's removal. These two years were not idle ones on his part. After Mr. Chase had dictated my brother's retention, Mr. Goodrich sought to reduce his salary; and his whole course towards my brother was one of active or constructive aggression. He seems to have been perpetually smarting, during these two years, under the guilty consciousness of having been justly foiled in the attempt,

first, to drive a pitiful bargain, and afterwards to commit an unmerited injury.

Mr. Goodrich has applied to me several scurrilous epithets; but he has been scarcely less decent in his vituperations of Mr. McCulloch and yourself; and I am quite willing to share with you any odium which his character for veracity and good breeding in the community where he lives is capable of attaching to the objects of his malevolence.

I am, dear sir, very truly yours,

JOHN A. DIX.

THE PRETENDED SMUGGLING CASE.

The only remaining subject referred to in the pamphlet is under the startling heading, in large capitals, of "MR. HOOPER AND SECRETARY McCULLOCH ON BAGGAGE-SMUGGLING BY THE RESPECTABLE AND WEALTHY."

The only instance of my doing any thing concerning baggage at the Custom House while Mr. Goodrich was Collector was when called upon, one morning, by a lady, who stated that she and her family, four of them in all, arrived by the Cunard steamer from Liverpool; that their baggage was examined, as usual, and passed by the Custom-House officers, and had been sent home to her house; that, soon after, an officer from the Custom House came to her house, stating that the Collector had directed him to take all their baggage to the store of the appraisers for further examination. Some of the trunks had then been taken up stairs; and she asked the officer to permit her to take out a few articles of clothing necessary for the immediate use of her daughters and herself. The officer replied, that Mr. Goodrich had particularly directed that no article should be re-

moved; but he supposed it would not be detained long, and would be returned soon to the house. It was the third day after this had occurred when the lady called on me, and said she had not been able to ascertain why the baggage had been seized and detained, nor when it would be returned; and entreated me to go to the Custom House in her behalf, as her daughters, as well as herself, had no clothing of any kind, except what they were wearing when they landed from the steamer three days before.

I went to the Custom House as soon as I could after breakfast, feeling somewhat indignant that passengers arriving from abroad at the port of Boston should be subjected to such annoyance and inconvenience. The Collector seemed somewhat surprised when he understood what I had come for; and, after he had refused my request for the delivery of the baggage, I did not hesitate to express the indignation I felt; which is probably what he refers to in his pamphlet by the remark that he had rarely seen a man more angry. I told him it was a gross outrage to detain the baggage of passengers in that manner; that any baggage could be examined, and any amount due upon it for duties ascertained, as easily in three hours as in three days; that he knew any amount that could properly be demanded from the party owning this baggage would be readily paid; and that he had no right to subject passengers to such inconvenience. I claimed that the baggage ought to be delivered at once, unless some good reason could be given to the owners for its longer detention.

There was no explanation why he had ordered the baggage to be seized and detained after it had

been examined and delivered as usual from the steamer; nor did he say one word about duties, or any attempt to smuggle; but he sat at his desk, and, after a little time, began to write. Soon after, he handed me the paper he had written, saying, if I would sign it, the baggage should be delivered at once. On reading it, I found it was a guarantee for the payment of any sums found to be due in connection with the baggage. I signed it without hesitation, remarking, as I did it, that it seemed absurd to require it for such a party in so small a matter. I suppose it is this guarantee which is printed in the pamphlet, with my name, dated Aug. 20, 1864. After I signed it, directions were given for the delivery of the baggage; and I went to the appraisers' store to see that it was promptly sent to the house from which it had been taken. The fact that Mr. Goodrich delivered the baggage and never made any demand for duty, at least until about the time of his removal, which was a year after this occurred, might be considered a tacit acknowledgment of some indefensible intention or action on his part in detaining the baggage.

When I met Mr. Goodrich afterwards, no ill-feeling was manifested. I never complained or spoke to the Secretary of the Treasury about it, as stated by him; and I never heard or thought of the matter again until my attention was called to two letters of Mr. Goodrich, the first dated Aug. 19, 1865, asking instructions from the Treasury Department, and their views in regard to the duty of the Collector, when wealthy citizens, returning from abroad with "new goods," refuse to have their baggage examined by the Custom-House officers designated to

attend for that purpose on the arrival of the steamers from Europe. The letter stated that such a case had occurred, in which influential citizens censured him, and was not disposed of. This was a year after I had frustrated what may have been a little scheme of Mr. Goodrich to convict, by "their own tacit confession of guilt," the owners of the baggage regarding which I saw him. In that case, the baggage had been examined and regularly passed by the officers when it was landed. It would seem, therefore, that this letter might refer to another case, unless Mr. Goodrich was going back for a year, to bring up and misrepresent that old affair, with the hope of making some point against the Secretary, or against myself, for his removal from office, which had occurred before the date of this letter.

It certainly indicates a want of "commercial experience" on the part of Mr. Goodrich, that he should apply to the Department at Washington at this time for such instructions, after having occupied the office of Collector for more than four years. His letter to the Department was so ambiguous and peculiar, that the Secretary wrote to him for further explanation, saying, "You do not state why you have been censured; and I do not understand from your letter upon what points in the case you wish the views of the Department, — whether in regard to the quantity of the different articles, or otherwise. Please inform me." To this Mr. Goodrich replied on the 31st August, which was the last day he was in office as Collector. Mr. Hamlin entered upon his duty as Collector on the first day of September.

The reply of the Secretary of the Treasury, dated

Sept. 7, 1865, was addressed to Mr. Hamlin, as follows:—

TREASURY DEPARTMENT, Sept. 7, 1865.

SIR,—I have before me a letter of the late Collector, dated the 31st ult., in reply to a letter from this Department of the 29th ult., in relation to certain baggage of passengers by the “Asia.”

It has never been the practice to demand duties upon wearing-apparel which passengers may bring with them into the country in reasonable quantities for their own actual use.

The term “wearing-apparel in actual use” has not been considered literally to mean what was upon the person,* but wearing-apparel for the actual and personal use of the passengers, such as it would be supposed the station in life of the parties in possession would entitle him or her to make actual use of.

The fact that any article of apparel had never been actually worn should not therefore be considered conclusive evidence of any intention to defraud the Government, and subject a passenger to the penalty of three times the value in addition to its forfeiture.

It would seem to be difficult, as well as annoying, to any officer, in the conscientious discharge of the duty of examining baggage, to discriminate and determine in regard to honest representations and dishonest intentions; and therefore great care should be taken to select for such duty officers of superior intelligence and judgment.

The case mentioned in the late Collector’s letter, referred to above, having occurred some time since,—about a year, I am informed,—and the character of the party seeming to preclude any suspicion of dishonest intentions, does not seem to require any further action, nor any change of the instructions from this Department.

I am, very respectfully,

H. McCULLOCH,
Secretary of the Treasury.

To Hon. HANNIBAL HAMLIN, Collector, Boston, Mass.

It will be perceived by comparing the letter with what Mr. Goodrich publishes on page 37 of his pam-

* In the pamphlet of Mr. Goodrich, this passage is printed, “what one wears upon the person.”

phlet, as the copy of it, that he makes essential changes in it, by omitting some passages, and making some changes of the text in other passages. It appears by the actual letter, that the inquiry of Mr. Goodrich to which it replied, was in reference to a "penalty of three times the value in addition to its forfeiture," instead of being in reference to the duty on this baggage. One-half of the penalty and forfeiture would be for the benefit of Mr. Goodrich and the Naval Officer and Surveyor: the duty would be solely for the benefit of the Government. Another omission in the letter, as published by Mr. Goodrich, conceals the fact that it referred to an old matter, which had occurred more than a year before; the closing paragraph of the real letter of the Secretary being as follows: "*The case mentioned in the Collector's letter, referred to above, having occurred some time since, — about a year, I am informed, — and the character of the party seeming to preclude any suspicion of dishonest intention, it does not seem to require any further action, nor any change in the instructions from this Department.*" This sentence, as published in the pamphlet of Mr. Goodrich, read as follows: "The case mentioned in the late Collector's letter — the character of the parties seeming to preclude any suspicion of dishonest intentions — does not seem to require any further action."

As this letter was made the text for more than four pages of comment and censure of the Honorable Secretary of the Treasury, it should certainly have been printed fairly and truthfully in the pamphlet. But the whole incident is egregiously misrepresented.

Samuel O. Upham, Esq., the Custom-House inspector whose duty it was to examine the baggage of passengers by the steamer, on the arrival of the party about whose baggage I saw Mr. Goodrich, has written me a note, in which he says that he examined their baggage at the vessel, and made a list of all articles that might be subject to duty; and, as the owner went with him to the Custom House to pay any duty to which they might be subject, he delivered the baggage to be taken to his house. On arriving at the Custom House, he reported the facts to the proper officer; stating that the owner was with him, ready to pay any duties. On speaking to the Collector, he ordered him to go and get the baggage, and take it to the store of the appraisers. Mr. Upham further states, "I noticed nothing which indicated any intention on the part of the owners of the baggage to evade the payment of any duties."

The assistant appraiser, R. K. Darrah, Esq., who examined this baggage at the store of the appraisers by direction of Mr. Goodrich, says, in a note to me, "So far as the case came under my observation, there was nothing that warranted the least suspicion of any intention of defrauding the revenue; and I was informed by the inspector who examined the effects on board the steamer, that he entertained the same opinion."

It having thus been settled by the Inspector, by the Assistant Appraiser, and by the Treasury Department, that there was neither an attempt, nor any apparent intention, of smuggling in this case; and no demand for any duty having been made at the time by Mr. Goodrich,—it seems not to require further notice.

MR. GOODRICH AND THE BOSTON MERCHANTS.

At a long interview with Secretary McCulloch, described in the pamphlet, Mr. Goodrich endeavored, apparently, to persuade him to reconsider the subject of his removal. He says the Secretary finally told him that he was unpopular with the merchants of Boston. Mr. Goodrich admitted it "was true with a certain class of merchants," but not with those who desired "an honest, impartial, and faithful administration of the office." As evidence of this, he presented the Secretary certain papers in favor of his being retained, signed by about thirty merchants, importers, and citizens; and he says, "I told him they represented correctly the general sentiment of Boston and vicinity, as I had been assured and believed." This evidence was not so conclusive as Mr. Goodrich supposed; Mr. McCulloch having then, on the files of the Department, petitions asking for a change of Collector, which were signed by about four hundred of the most respectable business firms in Boston, including several of the merchants whose names are printed in the pamphlet as signing the papers presented by Mr. Goodrich.

Mr. Goodrich closes the subject of his unpopularity and his want of commercial experience as follows:—

"As to my unpopularity, of which so much has been said, I hazard nothing in saying that ninety-nine hundredths of it may be accounted for by the cases I have explained, and others like, are not very unlike them, which may be satisfactorily explained, and shall be if necessary. But I should like to see the merchant who has been ready to disclose the exact truth, and conform to the

requirements of the law, who has had any difficulty with me. Quite too much stress has been laid on the want of *commercial experience*. How could more *commercial* experience have aided me in dealing with the Williams and Chenery frauds? They were simple and pure frauds, but no more difficult to comprehend because they occurred in commercial transactions. Even *less* of a certain kind of commercial experience would have been of decided advantage in the cases I have related. The truth is, as I intimated at the commencement, the greater want is more *commercial integrity*. The law has been my guide; and I have believed in giving it the same interpretation to-day, that was given to it yesterday, and the same also whether applicable to our class or another."

The foregoing quotation is *verbatim*, with all the italics, grammar, and peculiar construction; and it is not an unfair specimen of the style, nor of the spirit and tone, which pervade the pamphlet of Mr. Goodrich. More commercial experience might have taught Mr. Goodrich, that the cost or market value of an article in the country from which it was imported could not have been the cost of the same article when delivered here, with the accumulation of duties, freight, and other expenses of importation; all of which necessarily enter into the cost here. It might have prevented his publication of garbled extracts and false translations in support of groundless charges, and unjust intimations of dishonest intention. It would surely have saved him from that act of injustice which is so much to be deplored, in whatever aspect it may be regarded, — whether we consider the large sum of money wrongfully exacted — the stigma inflicted upon a mercantile house of established reputation — or the distress which it has carried into the family circle and happy homes.

From the beginning to the end of the pamphlet,

there is a sense of self-satisfaction on the part of the author, and an idea that he occupied a position which warranted him in assuming the office of censor of the morals of the merchants of Boston. Their standard of commercial ethics he evidently regarded as being so low as to require something of the reforming influence of his precept and example. If the covert as well as direct attacks with which he seeks to stigmatize their business morality had any just foundation, the reform he affected to promote would not be likely, from their experience of his intercourse with them, to be advanced by his advocacy.

" He who the sword of Justice bears
Should be as holy as severe."

But these imputations have no just foundation. The merchants of Boston have a history which cannot be perverted, and a character which cannot be successfully assailed by any pharisaical preacher of morality whose own standard of ethics is such as this pamphlet discloses. Men who have been distinguished — as I think it will be conceded the merchants of Boston have been — through many generations for their conscientious sense of the responsibility which the fruits of commercial success impose upon their possessor, and whose "diligence in business" has not been more conspicuous than their leadership in every noble enterprise of patriotism, learning, and philanthropy, must have been trained in a very different "school of ethics" from that with which the writer of the pamphlet seems to be familiar.

Letter from Mr. Goodrich.

Boston, Nov. 20, 1866.

To the Editor of The Boston Journal:

You will do me a favor to say in your paper that I was called to Boston two or three days ago to give my testimony before the Congressional Committee, and found on arrival that Mr. Hooper's pamphlet "in defence of the Merchants of Boston," was before the public. I intend to reply to some portions of it, and would be glad to do so at once, but the duties of an office which I have consented to assume will require every moment of my time for two or three weeks, and I must return immediately to Berkshire. But at my early convenience I will notice the pamphlet so far as it concerns me. I will then undertake to show to the satisfaction of every unprejudiced mind that it is not a straw's consequence whether the letters of Mr. Roederer, the wine manufacturer in France, to Messrs. J. D. & M. Williams, are translated "fictitious," or "pro-forma," and I will show this from Mr. Hooper's pamphlet itself. The only important question is, were the invoices sent for and used at the Custom House, true or false? Did they contain a true statement of the *actual* value of the wines, or a false statement, known to be false by both parties, made so by design, and for the express purpose of evading part of the duty that would be lawfully due the United States?

I shall have occasion to thank Mr. Hooper that while he was endeavoring to put me in a false position on another point, he has enabled me, from his own pages, to furnish proof positive of all I have ever stated or claimed in regard to the alleged fraud by the Messrs. Williams. I will also show by the sworn statement of the Messrs. Williams, senior and junior, that Mr. Samuel A. Way represented them in the settlement, *and at their request*. In the meantime I desire a suspension of judgment till I shall have time to present this matter clearly and to the comprehension of everybody. I shall also notice some other points in the pamphlet.

J. Z. GOODRICH,

Goodrich. 3m.

(3)
A REPLY

TO THE

Statements of Hon. Samuel Hooper,

IN A PAMPHLET FANCIFULLY ENTITLED

"A DEFENCE OF THE MERCHANTS OF BOSTON,"

WHICH JUSTIFY THE

WINE FRAUDS OF J. D. & M. WILLIAMS

AND THE

OFFICIAL MISCONDUCT OF TIMOTHY B. DIX,

AND

ASPERSE THE CHARACTER OF "JOHN Z. GOODRICH,

EX-COLLECTOR OF CUSTOMS."

BY J. Z. GOODRICH.

BOSTON:

**ROCKWELL & ROLLINS, PRINTERS,
122 WASHINGTON STREET.**

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1867, Nov. 6.

Gift of

Sam. A. Green, M.D.

(71. B. 1051)

REPLY.

THE LATE JOHN D. WILLIAMS.

Let me hasten to say that I could not have intended to do injustice to the memory of the late John D. Williams, in any thing I said of the firm of J. D. & M. Williams, of which he was once the honored and worthy head; for he withdrew from it, as I was informed, and which I assumed was known to the public, in 1836, ten years before the alleged frauds by the firm commenced. His name has been continued in the style of the firm, but nothing that has been or may be said of its transactions since he dissolved his connection with it, can justly affect his memory. I would on no account do injustice to it, and Mr. Hooper had no warrant for asserting the contrary.

THE J. D. & M. WILLIAMS CASE.

In March, 1865, I was Collector of the Port of Boston, and was acting in that capacity, when I was called upon by W. B. Farwell, Esq., special Agent of the Government for the detection and prevention of frauds upon the revenue. I had taken an oath to "use the best of my endeavors to prevent and detect frauds in relation to the duties imposed by the laws of the United States." Mr. Farwell informed me that he had been some time in Europe, in the employment of the Department, and that in co-operation with a Mr. Gibbs, another Agent of the Government, he had ascertained that extensive frauds had been practised in some parts of the United States, by the importation of champagne and other wines, at greatly under-estimated values. He said that among other places in France, he had been at Reims, whence most champagnes were obtained for the Boston market; that he had succeeded, though with difficulty, in ascertaining the true value at that place of the wines brought to the United States, and that if I would allow him to look at the invoices, used by the importing merchants, he could at once satisfy himself whether frauds had been practised at Boston, as he knew they had been at some other ports. I directed the invoices required to be placed in Mr. Farwell's hands for examination, and allowed him the use of a small room for this purpose at the Custom House. Soon after he commenced the examination, he informed me that serious frauds by undervaluation had been practised by the firm of Messrs. J. D. & M. Williams, and called my attention to the great discrepancy between the invoiced foreign value, as rendered by the importers, upon which duties had been paid, and the real foreign values, which he had ascertained by visiting the places whence the wines

were brought. He further assured me, that he regarded it in the highest degree probable, that if access could be had to their books and correspondence, it would be manifest that the invoices at the Custom House were false, and that the values therein stated were fictitious, for use only in estimating duties. He called my attention to the provisions of a recent law by which I could take possession for examination of their books and papers, and requested me to make application under the law to the District Judge for a warrant for that purpose, which I did. A warrant was granted, and the books and papers of this firm were taken possession of, and Mr. Farwell, myself, and other officers examined them. They disclosed the facts suspected, or before believed in, by Mr. Farwell, and demonstrated that Messrs. J. D. & M. Williams, though represented in the invoices to be consignees of the wine, were in reality the owners of it; that the invoices used by them at the Custom House, in respect to the values therein set forth, were of no account whatever between them and the manufacturer, of whom they purchased the wine, and were wholly fictitious and false, and greatly below the amount paid by the importers, and below the foreign market value, as ascertained by Mr. Farwell; and that though they had habitually sworn to these invoices as the only invoices known to them, yet that they had received and used other invoices, and that those at the Custom House had been invented only for Custom House use. The facts thus ascertained were then reported to the parties implicated, and a conference upon the subject was had at my office. The same day, immediately after the conference, in respect to three invoices of Spanish or sherry wines, amounting to \$25,224, wherein the books and papers showed an undervaluation, double invoices, false oaths, and a manifest fraud, the Messrs. Williams signified their readiness to pay the full penalty of the law, *and desired to do so*, leaving other alleged violations unadjusted. This was some days before any one appeared in their behalf. As this was the full amount that could be recovered in the sherry invoices, I accepted it. The investigation of the champagne cases was continued with the aid of Mr. Farwell. It was not long before Mr. Way, as the Agent of the Messrs. Williams, after several calls upon me, offered to pay the further sum of \$100,000 in adjustment of all further claims that might be made upon them. This offer I refused to accept, or even to entertain, preferring to report the case for investigation by the Court, and persisted in my refusal, although I was importuned beyond measure for several weeks by their agent to accept it. I offered, however, to accept the amount which the Messrs. Williams had gained by underpayment of legal duties, and if their agent and Mr. Farwell could not agree upon the amount, to submit the question to Hon. Alpheus Hardy, who had been consulted by them as their friend, and to accept such sum as he should report due, whether it should be more or less than \$100,000. This offer of settlement upon receipt of the unpaid duties, which upon every principle of honor and honesty they owed the Government, — a settlement which imposed no forfeiture whatever, — was repeatedly peremptorily refused by the Messrs. Williams. And why? Because they knew, as I will presently show from Mr. Hooper's "defence of the Boston merchants," that the unpaid duties would amount to two or three times the sum they proposed to pay. And so their agent

badgered, pursued, and importuned me, oftentimes to my great annoyance, for three or four weeks, to accept the \$100,000 in settlement, and finally I was compelled to accept it by direction of the Secretary.

During these weeks of delay, after the unsolicited and wholly voluntary offer to pay \$100,000, I never visited the parties implicated, nor did any other person visit them at my request or on my account. I never sought a settlement at any time on any terms, directly or indirectly, because my opinion, which I always freely expressed, was, that the ends of justice would be better answered, and more good would result to the Government, by an examination of the case by a Court and jury. I did, however, when the acceptance of the \$100,000 was pressed upon me, endeavor, as I have stated, to secure the amount of the unpaid duties.

For this course of conduct I am now arraigned before the public as an extortioner and heartless persecutor, and charged with being the cause of a domestic calamity which every one must deeply deplore. I am thus arraigned and thus accused, by a man in high position, possessing much power in society and in official circles. But truth is mightier than all these influences combined, and it cannot be but that in the end it will vindicate itself and me.

Mr. Hooper sends out his pamphlet under the fanciful, "fictitious" title of "A Defence of the Merchants of Boston." The merchants of Boston need no defence except against such a defender. They will neither seek nor accept as a champion, one who covertly attacks their honor and honesty by the implied assertion, that they approve of such frauds upon the Government as he openly justifies; nor will they frown upon or despise an earnest and faithful discharge of official duty, which tends to protect them from the dishonest competition of fraudulent and designing men.

The prominent feature of Mr. Hooper's pamphlet, and that which has been seized hold of most eagerly by the public press, is his attempt to establish the fact that the Messrs. Williams were not only guiltless of frauds upon the revenue, but were victims of persecution. In view of the calamity already alluded to, I would gladly have exempted this house from further public mention. But Mr. Hooper has asserted their innocence in such positive terms, there is no option left but to arraign him and them before the bar of public opinion once more.

The frauds in the importation of the Sherry wines, to allude to them again, were written down in plain text, in their own mercantile books, in 1863 and '64. They were never for one moment denied by any member of the firm, but were fully admitted; and on the instant when the sum of the forfeitures for which the Government could make legal claim was known, they eagerly embraced the privilege of making payment of the same in the amount of \$25,224. Here, then, stands one instance of gross fraud upon the revenue, perpetrated, *confessed* to have been perpetrated, by this house which Mr. Hooper holds up to the public as victims of wrong and persecution, and as models of commercial probity, ranking, and worthy to rank, with the

ancient and time-honored mercantile respectability of Boston. The comparison is Mr. Hooper's, not mine. The merchants of Boston have received no such insult at my hands, nor am I aware that they have at the hands of any person.

I call attention also to the fact, not denied by Mr. Hooper, that this "ancient and well known firm of J. D. & M. Williams," state that they paid, of their own volition, \$32,000 to their agent, with the intention and for the admitted purpose of bribing public officers. Yet not a word of condemnation, nor a syllable of explanation, has Mr. Hooper for this second crime. This does not touch the honor and high standing of a house that has been so long in existence. Mr. Hooper finds nothing in his code of morals that renders this crime worthy even of a passing comment, nothing that prevents the house of J. D. & M. Williams from ranking in perfect equality with the other old merchants of Boston, whose honor and commercial integrity have never been called in question.

It is also admitted by Mr. Hooper that the Messrs. Williams paid \$100,000 to compromise and settle the claim made by the Government for alleged frauds in the champagne importations, and for the purpose of buying, by bribery, the privilege of compromising for this sum, they paid their agent, as they say, \$32,000. But do men who are in the right make such sacrifices as this to silence an unjust accusation? Do men who are types of commercial honor and integrity, when they are unjustly assailed, endeavor to purchase silence by bribery? Rather would not any honest and upright mercantile firm make sacrifices, even to their last dollar, to defend their honor when thus assailed? No member of the firm has ever dared publicly to deny these frauds. Mr. Hooper says he is "quite sure the Messrs. Williams can present circumstances and considerations for paying the money *as they did*, which will show how insulting is the public announcement by Mr. Goodrich, that, by making this settlement, they are convicted by their own confession of their guilt." Why don't they present them? They may rest assured the public would be very glad to know what these "circumstances and considerations" are. I earnestly wish they might be presented, but I am "quite sure" they never will be. No, it was left to Mr. Hooper, a member of Congress representing Massachusetts at the Capital of the nation, to explain and palliate, by perversion of the facts, gross frauds upon the public treasury, and to promulgate a theory to blacken every public officer who had used his best endeavors, according to his duty and his oath, to detect and prevent them. It was left to him to hold up to public admiration and sympathy, a mercantile house that has not had one word to utter in its own behalf, and no statement to render that has not, I repeat, been the equivalent of a *confession of guilt*. This may be an insult, but it is nevertheless *true*.

Such are the questions that present themselves to every unprejudiced mind on the first consideration of the subject. They constitute in themselves a full and perfect answer to the loose statements of Mr. Hooper; nevertheless, I shall briefly review these statements.

He occupies many pages of his pamphlet in an attempt to disprove what he falsely asserts that I said, viz., that the "price of \$9.00 and \$10.00 was the actual foreign market value of the wines at Reims, in France." I said no such thing. What I said was this:—

"The price paid was \$9.00 per dozen for quarts, and \$10.00 for pints, deducting therefrom the cost of importation, such as freight, &c., and remitting the net amount so arrived at to Roederer.

"In July, 1846, Congress enacted a new tariff. * * * * Prior to this, all the champagne thus imported by the Messrs. Williams was invoiced at \$9.00 and \$10.00 as the actual foreign market value."

I did not say that this *was* the value, but that it was *so invoiced*, and it can hardly be otherwise than that Mr. Hooper must have known he was misrepresenting me. Indeed he quotes me correctly in one place, but in another, and obviously for a purpose, and with the expectation that it would not be noticed, he omits the word "invoiced," and makes me say what the *market value* was, instead of what the *invoice* was. These are his words: "Mr. Goodrich declares that this price of \$9.00 and \$10.00 *was* the actual foreign market value of the wine at Reims, in France." The whole point in his argument is based on this utterly false statement. Candid readers who will turn to pages 18 and 19 of his pamphlet will see that it could not have been a mistake, but an intentional misrepresentation. And now I repeat what I said, and will prove from Mr. Hooper himself that it was literally true. He says:—

"The following is a translation of a bill of wine, sent by Mr. Roederer, which was used as the invoice before Dec., 1846.

Messieurs JOHN D. & M. WILLIAMS AND EDWARD CODMAN & Co.,		To L. ROEDERER, DR.	
To Wine by Ship 'Versailles,' for Boston, in C. & W.			
No.	14,192—14,225— 34	baskets half-bottles	Champagne Wine, \$10— \$340.00.
"	14,226—15,425—1200	" whole bottles	" " 9— 10,800.00.
"	15,426—15,776— 350	" half-bottles	" " 10— 3,500.00.
"	15,776—15,806— 30	" whole bottles	" " 9— 270.00.
"	15,806—15,825— 20	" half-bottles	" " 10— 200.00."

And the following is part of the oath taken by one of the firm on this invoice so used at the Custom House:—

"I do further solemnly swear that to the best of my knowledge and belief, the invoice now produced by me exhibits the actual cost or fair market value, at the time and place, when and where produced, of the said goods, wares, and merchandise."

This certainly proves that the wine was *invoiced* prior to Dec., 1846, at \$9 and \$10, as the actual foreign market value. It was bought, before and subsequent to 1846, under a contract which fixed the price at \$9 and \$10, but allowed the items which enter into the *cost of importation* to be deducted. And this is what Mr. Hooper admits. The following passage from page 26 of his pamphlet is sufficiently explicit on this point: "The account or bill forwarded by Mr. Roederer, indicating the number of baskets, and the price in the currency of the United States, at the rate which the Messrs. Williams were to pay, after deducting the duty and expenses of importation, was used as an invoice." I accept this, and am specially anxious the reader should remember it. They "*were to pay*" \$9 and \$10 per basket, after deducting the duty and expenses of importation. What this duty and these expenses were, we will soon learn from him.

Mr. Hooper further says: "In point of fact, these wines were shipped by Mr. Roederer on his own account." This is not correct. They were shipped on account of the Messrs. Williams, and at their risk. They wrote Roederer Sept. 15th, 1846, as follows:—

“We shall soon be wanting more wine, and we would like to know if you can make any discount from the *net amount* which you *now* receive.”

To this, Roederer responded Oct. 4th, 1846, that he could not “make the smallest concession.” And his letter of Dec. 21, 1864, referring to the seizures which had been made in New York, is quite to the point, as follows:—

“The seizures which the Custom House has made, render necessary the greatest precaution, and as the shipment is *always* made at *your risk and peril*, I cannot put the wines *en route* and make the invoices at the *old price*, for fear of exposing you to trouble.”

It is clear, then, that the Messrs. Williams purchased the wines and imported them on their own account. It is true, they were allowed to reject the wine, if it was not according to the quality described in the contract. This any importer could do, who bought goods of a given quality, and those of an inferior quality were sent. There was nothing peculiar in their contract in this respect. The importations were made on Roederer's account, in no other sense than that he guaranteed the quality. After making the deductions allowed by the contract from \$9 and \$10 per basket, the balance was the true cost, which was the lowest sum they should have been entered at at the Custom House. And this Mr. Hooper by clear implication admits when he says, page 16: “Mr. Goodrich makes the groundless charge that this wine should have been entered, and the ad valorem duty paid, on its cost, *including duty, freight and all other expenses, delivered at their store in Boston.*” I hardly deem it necessary to say that I never made any such charge. Mr. Hooper himself does not believe I ever did. The idea of paying duty *on the duty itself, &c.*, originated with him, and it is altogether a “groundless charge” to say that I have asserted or intimated any thing of the kind. But the important fact is, his admission that the wine should have been entered, and the ad valorem duty paid, *on its cost, not including duty, freight, and other expenses.* Let this be remembered as we proceed.

I have claimed, and still claim, that the Messrs. Williams entered the wine in question by false invoices, much below the cost; that they knew them to be false, and procured them to be so made for the express purpose of evading part of the duty lawfully due the United States; and I have stated that I should have occasion to thank Mr. Hooper, that while he was endeavoring to put me in a false position on another point, he had enabled me, from his own pages, to furnish positive proof of all I had ever stated or claimed in regard to this alleged fraud. To that proof I now invite attention.

FRAUD PROVED BY MR. HOOPER HIMSELF.

On page 21 of his pamphlet, he gives a copy of what he says was the “actual settlement” of a shipment of wine, to “prevent,” in his own words, “any misunderstanding in regard to the intention and meaning of the contract between the Messrs. Williams and Mr. Roederer, under which *all* the shipments were made.” That copy is as follows:—

“Account of sales of fifteen hundred sixty-seven (1867) baskets champagne

wine, received into Boston by the ship 'Versailles,' Capt. Hunt, for account of Mr. Louis Roederer, of Reims, France.

1847, Aug. 14.	By J. D. & M. WILLIAMS and E. CODMAN & Co.	
1300 baskets whole bottles champagne, at \$9,		\$11,700 00
267 " half " " " " " " " " " " " "	at \$10,	2,670 00
		<u>\$14,370 00</u>

CHARGES.

Entry and permit,		40
Duties on 1567 baskets, 2½ gallons each, 3,526		
Discount, 5 per cent.,	176	
	<u>3,350</u> gallons at 40 cents,	* \$1,340 00
Duties on 152 5-6 gross bottles at \$3,	\$458 50	
Discount, 5 per cent.,	22 92	435 58
Freight at \$6 per ton of 30 baskets,	\$313 40	
10 per cent. primage,	31 34	344 74
44 broken bottles,		33 00
Discount on invoice, one per cent.,		143 70
Paid referees' fees in settlement of freight,		2 50
		<u>\$2,299 92</u>
Net sale,	E. & O. E.	\$12,070 08

BOSTON, Sept. 24, 1847.

J. D. & M. WILLIAMS, per B. COBY.

Remitted for the above a bill on Paris at 60 days' sight." *

Such are the deductions, and all of them, which Mr. Hooper claims could be made under this contract. The duty deducted was forty cents a gallon, under the law of 1842. He adds: "It will be perceived that Mr. Roederer received for this invoice the equivalent of \$7.70 per basket." This was a very small fraction less than 41 1-2 francs. And this he says was the "*intention and meaning* of the contract." Accordingly, the Messrs. Williams remitted, as required by the contract, in "actual settlement" of this shipment of 1567 baskets, \$12,070.08. And this sum, according to their own showing, by this copy of "actual settlement," was the actual cost, and it may be assumed, was the lowest market value also. Nobody will believe the Messrs. Williams and Codman & Co. paid more than the market value. They knew what the article was worth, and had money and credit to buy on the very best terms.

But the *dutiable* value could not have been less than the price paid, or cost, even if the market value had been less. This Mr. Hooper admits, for he concedes, as I have shown, "that this wine should have been entered, and the *ad valorem* duty paid on its cost." Consequently this shipment should have been entered at \$12,070.08, and the *ad valorem* duty paid on it, as shown by Mr. Hooper himself.

* The translated extract from Roederer's letter in relation to this invoice, which I printed, is as follows:—

"With this you will find the invoice of the 1567 baskets which are going to leave Havre the 20th inst. (), on board the 'Versailles.' Have the kindness to credit me with this shipment for \$14,570, payable as usual. M. Ladin will join to this (which will leave by the 'Versailles') an invoice legalized by the American Consul, a *scissions* invoice which I have made according to your instructions, and in accord with Messrs. Piper & Co., in French, as is their custom to do. I hope this will satisfy you in all respects."

The extract in French is as follows:—

"Voici en attendant la facture à 1567 Paniers qui vent partie dne Havre le 20 est à bord du Versailles. Avez le bonté de me reconnaitre de cet envoi pour \$14,570, payables comme à l'ordinaire. M. Ladin joindra à cette lettre) que partira par le Versailles, une facture legalisée par le consal Americain: facture simlice que j'ai faite d'apres vos indications et d'accord avec M. Piper & Co. en francais, comme ils on P habitude de le faire. J'espere qu elle vous satisfera sous les rapports."

AMOUNT OF CUSTOM-HOUSE INVOICE.

Now, what did the invoice amount to by which entry was made at the Custom House of these identical 1567 baskets of wine? Fortunately for the elucidation of the truth, Mr. Hooper furnishes a copy of that invoice also. But it is in French, and extended in francs. It will be better understood by most readers translated into English, and reduced to U. S. currency, or dollars and cents. I have therefore requested one of the most intelligent importers of Boston to make such a translation and reduction, which he has done as follows:—

“REIMS, June 5, 1847. Invoice of 1567 baskets champagne, forwarded through the agency of M. Ludin, Havre, and shipped per ship ‘Versailles,’ for my account, and consigned to Messrs. J. D. & M. Williams and Edward Codman & Co., delivered on board ship.

C. & W. No. 18,606 } 1300 baskets Champagne in bottles, <i>f. e.</i> , the	
to 19,906. } wine, baskets and corks,	fr. 31
One dozen bottles,	4
	—
	35—fr. 45,500
No. 19,906 to } Total for each basket on board,	
20,172. } 267 baskets Champagne in $\frac{1}{2}$ bottles, <i>f. e.</i> ,	30
	the wine, baskets and corks,
	Two dozen $\frac{1}{2}$ bottles,
	5
	—
	35—fr. 9,345
1,567 baskets,	fr. 54,845

“The undersigned, Louis Roederer, wine merchant, declares, under oath, that the preceding invoice contains a faithful and true account of the merchandise therein enumerated, at their true market value at Reims, and of all charges upon the said merchandise; and that the invoice contains no other discount and allowance than those thereby allowed according to the custom. I declare equally under oath that the bottles and half-bottles have been bought by me empty, separately, and not with the wine.

“REIMS, June 5th, 1847.

L. ROEDERER.

“Francs 54,845, at 18 6-10 cts., the legal Custom House rate, is \$10,201 17.”

This sum of \$10,201.17, the amount of the Custom House invoice, deducted from the \$12,070.08, remitted in “actual settlement,” leaves a balance of \$1,868.91, on which duties should have been paid, but were not. The duties on \$1,868.91 — as truly part of the cost as the \$10,201.17 — would have amounted, at 40 per cent., the legal rate, to \$747.56, which the importers fraudulently withheld from the government on this single shipment. This is what Mr. Hooper proves himself, though he did not translate the Custom House invoice, and reduce the francs to dollars and cents, so that the difference could at once be seen. *I have never said anything more damaging to the parties implicated, than the exhibit he makes of these two invoices of the 1567 baskets.*

I have said that the Messrs. Williams knew what the article was worth. There is a piece of evidence which is quite to the purpose on this point. The following is a copy of an invoice of champagne sold by Roederer to Messrs. Atkinson, Tilton & Co., of Calcutta:—

“MESSRS. ATKINSON, TILTON & Co.,

“REIMS, 25th June, 1863.

To L. ROEDERER:

“For wines described below, shipped for their account and at their risk and peril, through the agency of Messrs. A. Piper & Dotti, at Bordeaux, who will see to the insurance by vessel ‘Bengoll,’ Capt. Rosse:

C. & W. 37,241—37,280—40 cases : 480 quarts Dry Schreider, at fr. 55,	fr. 2,200
37,281—37,290—10 cases : 240 pints “ “ at fr. 60,	fr. 600
	fr. 2,800

For Transportation to Bordeaux,	fr. 132	
Expenses at Bordeaux,	32.35	
Insurance on fr. 3,325, at 1½ per cent, and policy,	60.20	
		224.55
		fr. 3,024.55”

This invoice was forwarded to J. D. & M. Williams to collect of John Atkinson, of Boston, of the Calcutta house, as appears by the following copy of their letter to him :—

“ BOSTON, Aug. 8th, 1863.

“ JOHN ATKINSON, Esq., Boston (Messrs. Atkinson, Tilton & Co., Calcutta) : Dear Sir,—We have received advice of the shipment of the fifty cases of champagne from France by our friends Louis Roederer & Co., to your house at Calcutta. It was shipped by the French vessel ‘Bengoli,’ Capt. E. Rosse, from Bordeaux, on the 3d of July. We have a copy of the invoice which was sent to your friends, and one of the bills of lading :—

Invoice of 40 cases quarts, at fr. 55,	fr. 2,200
“ 10 “ pints, at 60,	600
Transporting to Bordeaux,	fr. 132
Insurance to Bordeaux,	60.20
Small charges at Bordeaux,	32.35
	224.55
	fr. 3,024.55

“ Due to us by bill at sixty days sight on Paris, to be paid to us on the 3d of November next. Perhaps the best way for adjustment is for you to give us a note for 3,024.55 francs, payable to us on the 3d of November next in a bill on Paris at sixty days sight, or its equivalent at that time in money. You will probably like to have the bill of lading and the copy of the invoice.

“ Truly and respectfully your friends,
(Signed) “ J. D. & M. WILLIAMS.”

This shows that they understood pretty well what Mr. Roederer’s selling price to others was. The same “Dry Schreider” as above was invoiced to them for entry at the Boston Custom House at 33 francs, though 41½ francs was paid for it, as the Messrs. Williams admit, which there is scarcely a doubt was less rather than more than the fair or actual market value. Speaking of the price in his letter of the 23d of May, 1846, he says : “ You know, gentlemen, that the *extremely moderate* price that I continue to mark *for you*, leaves me no profit except by the very considerable orders with which you have honored me for some time.”

And yet, “extremely” low as the actual price was, they were unwilling to pay the lawful duty even on that, but resorted to fraud to obtain a still greater advantage over their neighbors in the same business.

But one step further on the basis of this *proved, confessed* undervaluation of \$1,868.91, and unpaid duties of \$747.56 on this invoice alone. The value of the champagne wines imported by the Messrs. Williams between December, 1846, and the discovery of this fraud in 1865, was ascertained to be, as I stated in my pamphlet, more than \$2,200,000. The estimate was about \$2,250,000. In the reply of the Messrs. Williams, June 12th, 1865, to the letter of the Secretary of the Treasury of the 5th of the same month, they speak of a demand “covering all the champagne imported by us since 1846, and *amounting* to between \$2,000,000 and \$3,000,000.” Calling it, then, \$2,250,000, which is doubtless too low, the undervaluation upon the

whole, at the rate of \$1,868.91 on the \$12,070.08 remitted for the 1567 baskets, would be \$348,405, and the amount of duty unlawfully withheld on this sum would be \$139,360

Annual interest on this amount of unpaid duties ten years,
about the average time, is 110,206

\$249,566

This shows, on the basis of the difference between the false invoice for the Custom House copied by Mr. Hooper, and the amount actually remitted Roederer in settlement, that the Messrs. Williams and Codman & Co. defrauded the government out of \$249,566. But it was still more than this. Mr. Hooper admits that the Custom House invoices were as low as thirty-three francs to the basket. He says "thirty-three to thirty-five francs." The fact undoubtedly is that very soon after the correspondence commenced in which the Messrs. Williams urged Roederer to put the price in the invoices as low as his conscience would permit, he did put it down to thirty-three francs (through inadvertence I stated it at thirty francs), and that it remained at that price till after his letter of Dec. 21st, 1864, in which he said, referring to the seizures in New York: "I cannot put the wines *en route* and make the invoices at the old price, for fear of exposing you to trouble." The Messrs. Williams replied to this by saying: "It may be well to add *two* francs to the prices of each wine. * * * We think *we* should have had no difficulty with the *old way of invoicing*, but as other houses are troubled, and as they are all making the invoices higher, you had better make the change which we propose, as a matter of consistency with others." As there is no pretence that any of the Custom House invoices were higher than thirty-five francs, the old price referred to must have been as low as thirty-three francs, for two francs added to that price would bring it up to thirty-five, the maximum. Therefore, previous to December, 1864, the old price was as low as thirty-three francs. If, then, the gross amount of unpaid duties be estimated on the basis of the difference between a Custom House invoice at thirty-three francs per basket, and the amount actually remitted in settlement, as shown by Mr. Hooper, it will be found to be \$179,626

And the amount of interest on the same for ten years
would be 142,048

\$321,674

showing that the Government, at 33 francs to the basket, was defrauded out of \$321,674, and I am entirely satisfied from the evidence furnished by Mr. Hooper, that it could not have been less than \$300,000. The Messrs. Williams and Codman & Co., then, *according to facts doubtless furnished by themselves* to Mr. Hooper, made by this fraud at least \$300,000. There is no escape from this. They admit that the wines were entered at the Custom House at 33 francs per basket, and also admit that they paid Roederer in settlement \$7.70, or 41½ francs per basket, after all allowances or deductions under the contract had been made. In other words that the wines were entered at the Customs full 20 per cent. below the cost.

Mr. Hooper says the Messrs. Williams never requested Roederer

to invoice the wines at 30 francs the basket. On the 31st of July, 1846, they wrote him and said: "Messrs. Piper & Co. have invoiced their wines at 30 francs per basket on board. * * If you should do the same the new duty would be 40 per cent. on 30 francs." On the 15th of August they wrote him further as follows: "We named in our last that Piper & Co. invoiced their wines at 30 francs per basket on board at Havre. The principal houses at Reims had better adopt some *system* of invoicing, * * but you and Piper ship much more than any other houses. If you conclude to invoice the wines at 30 francs per basket on board, you must make your invoice in the following manner:—

"C. & W. No— to No— 1250 baskets Champagne wine, viz.: The wine at 23 francs each; the bottles, corks and baskets at 7 francs; 30 francs per basket on board at Havre, 37,500 francs."

If this is not a *request* to invoice the wines at 30 francs the basket, it is a very clear intimation that they wished them so invoiced, and that they would have sworn to the invoice as the "true" one, and as exhibiting "the actual cost or fair market value" as soon at 30 francs as at 33 to 35. I stated that Roederer "finally acceded to this request, and made up his false invoices for the Custom House at 30 francs." In this I suppose I must have been in error, but I am sure I need not say it could not have been an intentional misrepresentation. The difference between 30 francs per basket and 41½ francs, the admitted amount remitted under the contract, is 27¾ per cent. This would have shown an actual loss to the Government and gain by the Messrs. Williams, Codman and Co. of \$445,236. But I never claimed that it was so much. What I claimed was that the Government had lost and they had gained at least \$250,000. I did not state it higher than this. I think, however, it is demonstrable upon Mr. Hooper's exhibit, that it amounted to more than \$300,000. When, therefore, I stated the *total* undervaluation and unpaid duties at *less* than the true amount, I could have had no motive for stating in reference to the price per basket in the invoice, a *greater* undervaluation than the true amount.

Mr. Hooper complains that I quoted from "letters dated in 1846 and 1847 to support the charge of fraud against the Messrs. Williams on importations in 1860 and subsequently." Need I say more in reply to this, than to quote again his admission that the price of the wine in the Custom House invoices was 33 francs per basket, and that "all the shipments were made" under the contract to pay, after all charges were deducted, 41½ francs per basket? It is to the point, however, to add, that on the 15th of November, 1847, they wrote him and said: "In your future shipments, we think it best that you should send only the invoice for the Custom House, and make no reference in your letters to any *other price*, but simply say in your letters that you inclose to us the invoice of the wine shipped on your account, according to *existing agreement*." To this Roederer responded:—

"My next will remit to you the legalized invoice for the Custom House, and, following *your wishes*, I will make no reference to any *other invoice*."

The above extract from Roederer's letter, in the French is as follows:

"Ma prochaine vous en remettra la facture legalisée pour la Douane, et suivant vos desires, j'y ajouterai point l'autre facture."

This explains why nothing more was said about fictitious invoices. "*Simply say you inclose to us the invoice.*" Two francs, after December, 1864, were to be added to the "old price" of 33 francs per basket, making the price 35 francs for the following three months, to March, 1865, when the fraud was discovered. Down, then, to the very time of the discovery of the fraud, the prices in the Custom House invoices conformed to Mr. Hooper's statement of them, viz., "33 to 35 francs," and "*all the shipments were made*" under the "existing agreement," and settled for at the net contract price of 41½ francs per basket. I trust this explanation of the connection of "letters in 1846 and 1847" with fraudulent "importations in 1860 and subsequently," will be satisfactory, even to Mr. Hooper.

MUTILATED PASSAGES, AND GARBLED AND PRE-TENDED EXTRACTS.

It is a sufficient answer to what Mr. Hooper says about my undertaking to prove this fraud "by mutilated passages from letters of the Messrs. Williams," and "garbled extracts from their books and papers," and "pretended extracts" from Roederer's letters, to inquire why he did not print the letters from which the mutilated passages and pretended extracts had been taken, and copy in full the extracts from the books and papers which had been garbled? If there had been mutilated passages, and garbled and pretended extracts, it seems *probable*, to say the least, from the manifest spirit and *animus* of his pamphlet, that he would have done this. But as he has not, I will copy, in French, one of Roederer's letters in full. I have copies of many of them, but one will suffice. It is as follows :—

"REIMS, le 4 Oct., 1846.

"Messrs J. D. & M. WILLIAMS, et ED. CODMAN & Co., Boston, —

"Je confirme ma dernière lettre, du 28 Sept. expédiée par de steamer de Liverpool du 4 Oct., et viens de recevoir votre honorée du 15 Sept. renfermant compte de vente de 1634 Paniers par le Versailles avec un produit net de \$12,684.05, et un extrait de compte courant balancé par \$4.94 en votre faveur à nous ce qui est parfaitement d'accord avec nos écritures.

"Permettez moi de vous remettre ce-joint la facture aux 1250 Paniers champagne que j'ai fait partiz d'ici le 28 Sept., et que vent etre embarqués sur un navire partant le 6 ert., et ayez le bonté de me reconnaître pour cet envoi de \$11,500, payables comme à l'ordinaire, apres la reception de la marchandize, en papier sur Paris sous escompte de 1 per ct. Il est bien entendu que l'accidents des nouveaux droits tombe à votre charge, si, par circonstances imprevenues le navire se trouve retardé et n'arrive pas avant le 12 Dec. c'est de tout justice et votre équité vous l'a fait promettre dans une de vos dernieres lettres.

"Votre question relativement à une diminution de prix se trouve par consequent reponé d'avance, et je me réfère encore à ce sujet à mes lettres précédentes, notamment à cette du 29 Aout. &c. Depuis cette lettre une vendange d'excellent qualité, mais de peu de produit et d'un prix exorbitamment cher, m'a mis plus que jamais dans l'impossibilité de faire la moindre concession, et je le regrette infiniment, Messieurs, car j'ai toujours le plus vif desir de vous etre agreable et de contribuer le plus possible à la plus grande extrusion de mes relations avec vos honorables maisons. Mais si vous voulez que je continue à vous envoyer cette excellent qualité que j'ai l'habitude de vous livrer et que distingue encore mon envoi d'aujourd'hui, il est absolument necessaire que vous ajoutiez au prix de \$9 pour les

Bouteilles et \$10 pour les demi-bouteilles, l'augmentation des droits du nouveau Tarif, et il faudra pendre pour base le prix porte dans la facture simulée qui accompagne les vins, c'est à dire, Fr. 35 par Paniers à bord au Havre.

"J'ose esperes que votre prochaine lettre contiendra deja des proposition dans ce sens, et en attendant, je vous prie d'agreer, Messieurs, l'assurance de ma consideration tout particuliere.

" pp. L. ROEDERER,
J. LIVERMORE."

The translation of the foregoing letter is as follows : —

" REIMS, 4 Oct., 1846.

" Messrs. J. D. & M. WILLIAMS, and ED. CODMAN & Co., Boston, —

" I confirm my last letter of the 28th Sept., forwarded by the steamer from Liverpool of the 4th Oct., and have just received yours of the 15th Sept., containing account of sale of 1634 baskets by the 'Versailles' with the net proceeds of \$12,684.05; also an extract from account current balanced by \$4.94 in your favor, which perfectly agrees with our books.

" Permit me to remit herewith the invoice of 1250 baskets champagne, which I forwarded from here the 28th Sept., and which will go by a vessel sailing the 6th Inst. Have the goodness to credit me for this shipment with \$11,500, payable as usual, after the reception of the merchandise in paper on Paris, at a discount of 1 per cent.

" It is well understood that the accident of new duties falls to your charge, if unfortunately the ship should be detained and not arrive before the 1st of December next. This is in all justice and equity, and you have promised it in your last letters.

" Your question relative to a diminution of price is consequently answered in advance, and I refer again upon this subject to my former letters, viz., that of 29th August, &c. Since that letter, a vintage of excellent quality, but of little product, and of an exorbitantly dear price, has made it more impossible than ever for me to make the smallest concession, and I regret it infinitely, gentlemen, for I have always the liveliest desire to be agreeable to you, and to contribute as much as possible to the greatest extension of my relations with your honorable houses.

" But if you wish that I continue to send you that excellent quality that I have been in the habit of furnishing, and which still distinguishes my shipment of to-day, it is absolutely necessary that you add to the price of \$9 for the bottles, and \$10 for the half-bottles the augmentation of the duties of the new tariff, and it will be necessary to take for a base the price named in the fictitious invoice which accompanies the wines, that is to say, 35 francs per basket, on board at Havre.

" I venture to hope that your next letter will contain propositions in this understanding; awaiting which I beg you, gentlemen, to receive the assurance of my most particular consideration.

" For L. ROEDERER,
" J. LIVERMORE."

This letter contains the important admission that Roederer had received the account of sale of 1634 baskets with the net proceeds of \$12,684.05, which was \$7.76½ or 41½ francs per basket, while the fictitious Custom House invoice was at "33 to 35 francs per basket." The net of this shipment appears to have been 6½ cents per basket more than the shipment of the 1567 baskets, which amounted to \$12,070.08, after Mr. Hooper had deducted all the charges. If the 1634 baskets contained a larger proportion of half-bottles, the net per basket would be more, which probably accounts for the difference, or the charges for broken bottles, etc., might have been less.

PRO-FORMA.

But in one particular Mr. Hooper undertakes to show that the letters of Mr. Roederer are not correctly translated. He says the

translations are "false translations." He speaks of the extracts made from them as "pretended extracts, referring to what is called the 'fictitious invoice' enclosed in the letters," but says, "no such expression is found in any letter of Mr. Roederer." He claims that the words "la facture simulée," translated in my pamphlet "fictitious invoice," should be translated "the *pro forma* invoice." I have said that it is not a straw's consequence whether they are translated "fictitious invoice," or "pro-forma invoice," which I think I can show by a single extract from one of Roederer's letters, upon which Mr. Hooper did not deem it necessary or *prudent* to comment. It is from his letter of Jan'y 6, 1847, which was translated in my pamphlet as follows:—

"Here is the invoice, and the fictitious invoice, of the 1,170 baskets. The genuine invoice amounts to \$10,700, which you will please carry to my credit upon the old conditions."

That all French scholars may decide for themselves whether this is a correct translation, I copy the passage in French. It is as follows:—

"Voici la facture et la facture *simulée* aux 1,170 Paniers. La *bonne* facture la monte à \$10,700 que vous voudrez bien porter en ac't. avoir aux anciennes conditions."

There were two invoices. One of them Roederer calls "la facture," the invoice, and the other, "la facture *simulée*," the *fictitious* invoice, as translated. He then speaks of one as "la *bonne* facture," in distinction from "la facture *simulée*." "Bonne" literally means *good*. La *bonne* facture, then, means the "*good* or *genuine* invoice," clearly implying that the other, whether *fictitious* or *pro-forma*, was *not* good or *genuine*. Obviously he meant to be understood as saying that one was not *genuine*. And he did not leave us in doubt which the *genuine* was. It was the one which amounted to \$10,700. Of the 1,170 baskets, 1,000 were quarts at \$9.00 . \$9,000
170 " pints at \$10.00 . 1,700
_____ \$10,700

This was the invoice which the Messrs. Williams were to carry to Roederer's credit. The other was not *genuine*, and consequently was false, not the *real, true* invoice. I care not, therefore, whether the French phrase "la facture *simulée*" is translated the *fictitious* invoice, or the *pro-forma* invoice, for in either case it means, as manifestly used by Roederer, an invoice which is false, *not genuine*. It was used in the same sense in all Roederer's letters. That of July 12, 1847, from which I made an extract, was translated as follows:—

"To-day I have the pleasure to remit to you the invoice of the 483 baskets, which are going to leave the 15th instant, on board the 'Wm. Goddard.' Will you credit me with this shipment for \$4,430, upon the ordinary conditions? A *fictitious* invoice you will be provided with at the same time through Mr. Ludin."

The baskets were 400 bottles, \$9.00 . . \$3,600
83 half-bottles, \$10.00 . 830
_____ \$4,430

This extract in French is as follows:—

"Aujourd'hui j'ai le plaisir de vous remettre la facture aux 483 Paniers que vent partir, le 15 crt. à bord du Wm. Goddard. Venez me créditer pour

cet envoi de \$4,480 aux conditions ordinaires. Une facture *simulée* vous parviendra en meme temps par l'entremise de M. Ludin."

From Roederer's letter of Oct. 11, 1847, I made an extract which was translated as follows:—

"I have herewith the honor to send the invoice of the 525 baskets ordered the 14th of Agust, amounting to \$4,850, and payable upon the ordinary conditions. A *fictitious* invoice, conveniently legalized, you will receive through Mr. Ludin."

The baskets were 400 bottles, at \$9.00	.	\$3,600	
125 half-bottles, \$10.00	.	1,250	
			\$4,850

This extract in French is as follows:—

"J'ai ci contre l'honneur de vous remettre facture aux 525 Paniers demandés le 14 Aout. se montant à \$4,850, et payable aux conditions ordinaires. Une facture *simulée* convenablement legalisée vous parviendra par l'entremise de M. Ludin."

But the Messrs. Williams, with these letters in hand, distinctly informing them that the invoices were not genuine, entered them at the Custom House as *the genuine* invoices, and swore that they were "the true and only invoices," that they did "not know or believe in the existence of any other invoices," and that "to the best of their knowledge and belief, the invoices exhibited the actual cost or fair market value of the said goods." More than this. They themselves instructed Roederer to make them up falsely, expressly for use at the Custom House. This he proves when he speaks of "'a fictitious,' or, 'not genuine,' invoice, which I have made up according to your instructions."

But while I say I do not care whether the translation is *fictitious* or *pro-forma*, I still insist that "*fictitious*" is the true rendering. The word *simulée* in Fleming and Tibbin's English and French dictionary, is thus defined:—"*Fictitious*, feigned (*sale*), false (*reconciliation*), deceitful (*peace*), pretended (*devotion*)."
I confess I never saw the French-English Dictionary of Professor Spiers, in which, as Mr. Spofford says, "the *secondary* meaning of the word *simulée* is thus given: '2 (Commerce) *pro-forma*.'"

I am permitted to make the following extract from a letter written by a gentleman in Washington to his friend in Boston:—

"I observe that a part of the case of Hooper vs. Goodrich, turns upon the rendering of the phrase '*facture simulée*.' I occupy an office with Mr. Durant. A Mr. Juif, an eminent *avocat* of Lyons, France, is with us most of the time. A great part of the conversation is carried on in French; and something said this morning, put it into my head to ask them the true meaning. They both said at once that it necessarily implied fraud, and was not at all to be confounded with the phrase '*pro-forma*.' Bear in mind that both these gentlemen are eminent in their profession, and that they have been practising commercial law, and studying it, all their lives, in the French language, and you can estimate the comparative value of their opinions and the authorities of Mr. Hooper."

And yet Mr. Spofford, in his letter to Mr. Hooper, says: "I have the honor to state that it (the phrase *une facture simulée*) can only be translated 'a fictitious invoice' through a *gross* misapprehension of its meaning." I repeat this for the benefit of Mr. Durant and Mr. Juif.

But, after all, the best authority in this case, is Mr. Roederer himself, and the Messrs. Williams. He told them that he used the phrase to describe an invoice that was *not genuine*. And this sense is perfectly consistent with the only meaning that can be given to the letters of the Messrs. Williams to him. It may be well to repeat some of the extracts from these letters. July 31, 1846, they wrote Roederer as follows:—

“The new duty on champagne wine is forty per cent. *ad valorem*, instead of the present specific duty of 40 cents per gallon, and 25 cents per dozen bottles. * * Your next shipment had better be accompanied by a consul's certificate, you swearing to the invoice, which is to be made *at as low a rate as your conscience will allow*.”

Again, on the 15th of August, 1846, they wrote him as follows:—

“We hope that the order which we gave you on the 15th of July for twelve hundred and fifty baskets of wine, will be executed and arrive here previous to Dec. 1st, at which date the new duties take effect. But in order to be prepared for any accident,” (or *accidental delay*, which Mr. Hooper likes better,) “you had better invoice this shipment *at as low a rate as your conscience will allow you to swear to it*. We named in our last that Piper & Co. invoiced their wines at 30 francs per basket on board at Havre. * * If you conclude to invoice the wines at 30 francs per basket on board, you must make the invoice in the following manner (describing it). The duties will then be cast on the wines *valued at 23 francs at 40 per cent.*, and the bottles, corks, and baskets at 7 francs, thirty per cent.”

Such is the tenor of the letters of the Messrs. Williams to Roederer. Was it their purpose to obtain from him an honest and true invoice for the Custom House? Manifestly it was not. Why did they urge him to put the rate as low as his conscience would allow him to swear to it? If they had asked for an honest and true invoice at the price they were to pay, no question of conscience could have arisen. When they intimated their wish to have the wine valued at 23 francs, and the bottles, corks, and baskets, at 7 francs, they knew that was not the honest and true value, but much below it. I say, therefore, that their own letters show that they understood Mr. Roederer to mean by the phrase “*facture simulée*,” a false and fraudulent invoice. In truth, he followed *their instructions* as far as his conscience would allow him to go, or rather I should say, without regard to conscience.

But enough on this point. Mr. Hooper may make *pro-forma* translations of the Roederer letters from beginning to end, and discard them all if he pleases. The letters of the Messrs. Williams themselves, are essentially fraudulent, and alone and abundantly prove that these importations were also fraudulent. There is no way of reconciling them with a purpose to be honest with the Government, and pay the full amount of duties required by law.

But in all this Mr. Hooper finds nothing wrong, and if his moral sense is so imperfect that it does not show him that such transactions are fraudulent and dishonest, he is not perhaps responsible for his opinions.

THE MONEY.

I quote as follows from Mr. Hooper's pamphlet:—

“But there are other matters connected with this transaction which exhibit Mr. Goodrich in a most questionable character.”

"Mr. Goodrich says, 'Moses B. Williams testified, that, besides the \$125,-224 paid to the Government, \$32,000 was paid to Mr. Way; but not one particle was to be paid him as compensation for his services. * * *

"Some one must have received the \$32,000 referred to, 'not one particle' of which was paid to Mr. Way, as compensation for his services. According to other testimony of Mr. Williams, Mr. Way told him he paid Mr. Farwell \$10,000 of that money. * * Mr. Goodrich has himself testified that he received over \$4,000 from Mr. Farwell. This testimony will hardly warrant, until a more full investigation can be made, the satisfaction expressed by Mr. Goodrich, 'of feeling that it was not deemed best to suggest to him that money could be had if desired: at any rate, the suggestion was not made.' Mr. Goodrich admits that he did receive money in connection with this transaction which by law he could not claim; and it can never be said with certainty that the sum of \$4,000 received by him and others from Mr. Farwell, was not part of the \$32,000 referred to by Mr. Williams as paid to Mr. Way, until it is known how the whole of that money was disposed of."

Mr. Hooper evidently means to create the impression that I received \$4,000 of the \$32,000 referred to. He does not say so in terms, but insinuates it. At another time and before another tribunal, he will be called to an account for more explicit statements. I am now dealing with his pamphlet, and say that a more groundless insinuation than that I received any part of the \$32,000, never was made. Mr. Hooper has not a particle of evidence to support it. Mr. Moses B. Williams paid the \$32,000, *as he said*, to Mr. Way. Before his death he testified as follows:—

"I understood at the time said payments were made that \$125,224 was all that was received by the Collector in settlement of said claims with the Government, and I never made any statements to the contrary. It was not represented to me, nor did I understand that any portion of the excess over \$125,224 was to be paid to Mr. Goodrich, the Collector."

This is what *he* said. If there is a man among the living who knows anything having the slightest tendency to prove that I received a dollar of that excess, or that I even knew for months after the settlement that a dollar was paid to any body in excess of the \$125,224, which I received and accounted for, I earnestly desire he would make it known.

Mr. Hooper says I testified that I received over \$4,000 of Mr. Farwell. I did. That testimony was given before the grand jury, when I explained every circumstance connected with this transaction as fully and as clearly as I could. I had nothing to conceal then, nor have I now. I was directed by the Secretary, and it would have been my duty, if I had not been so directed, to "dispose of the money according to law." On or about the 28th of March, 1865, \$25,224 was paid in settlement of the sherry invoices. This was distributed as follows: To the Government, \$12,612; to the Collector, Naval Officer, and Surveyor, \$4,204 each. In this case Mr. Farwell made no claim as informer, and we, — the Collector, Naval Officer, and Surveyor, — voluntarily paid him from our shares \$1,000, which he accepted. After that he proposed that we should pay him 10 per cent. of the amount we should receive from payments for further forfeitures or compromises in consequence of information furnished by him. To this we assented. But about the time of the payment of the \$100,000 on the champagne importations, I think the same day, which was the 8th of May, Mr. Farwell waived his right to claim 10 per cent. of our shares — the agreement, which was in writing, being

binding on us but not on him — and presented to me as Collector a written claim or demand as informer. Till then I had no idea that he expected to make any such claim. But he had a legal right to make it, and by it he became entitled to the informer's share of \$25,000. If there had been no informer my share of the \$100,000 would have been \$16,667. It was reduced by his claim as informer to \$8,334. The shares of the Naval Officer and Surveyor were reduced in the same proportion. Mr. Farwell at once proposed to give me \$4,222 from his share, which I accepted. On the payment of the \$100,000 it was distributed, and Mr. Farwell's \$25,000 was drawn on his receipt and brought to my office and paid to him, when he paid me from it \$4,222. I know it was from that money. It was wholly voluntary on his part, and entirely lawful and proper for me to receive it, if he was disposed to give it to me. It did not affect the interest of the Government in the slightest. I understood he paid the same amount to Mr. Tuck, the Naval Officer. He told me he should not give anything to Dr. Phelps, the Surveyor, and assigned as the reason, that he had rendered no service whatever in the investigation, which I suppose the Doctor himself would admit. It did not seem proper for me to interfere in the matter, and I did not.

I received, then, on the sherry claim, my share	\$4,204	
Less contributed toward the \$1,000 to Mr. Farwell	333	
		\$3,871
My share on the champagne claim		8,334
Given me by Mr. Farwell, informer, from his share,		4,222
		<hr/> \$16,427

And all I received besides for fines, forfeitures, and penalties, during the whole term of my Collectorship, was only about 10,000

\$26,427

Such are the facts.

On this point, Mr. Hooper copies an extract I had made from a letter of Mr. Way, written in Paris, December 19th, 1865. The extract is as follows: —

“It is simple justice to Mr. Goodrich for me to say that I never paid him, or knew of his being paid one dollar, either directly or indirectly; and I am confident he never received from Messrs. Williams & Co., or any one else, any sum of money on account of settlement, or anything connected therewith. I write this without the knowledge of Mr. Goodrich, or any of his friends.”

Mr. Hooper then adds: —

“There may be no reason to doubt that Mr. Way wrote this, as he says, without the knowledge of Mr. Goodrich; and that he may have been confident Mr. Goodrich never received from the Messrs. Williams, or any one else, any sum of money on account of, or in any way connected with that settlement. But how was it with Mr. Goodrich? Did he not *intend*, by publishing that extract from Mr. Way's letter, to convey to the public the impression that he received no money, directly or indirectly, for his own personal benefit from the settlement with the Messrs. Williams; while he did in fact know that he had received a very large sum, which went into his own pocket and was retained by him as his own?”

No, I intended no such thing, and Mr. Hooper had no occasion for

asking such a question. He knew, from the connection in which the extract from Mr Way's letter appeared, that I was referring to the \$32,000; and it was to that Mr. Way referred. He did not mean to say that I had not received my share of the \$125,224, nor did anybody but Mr. Hooper understand him or me as intending to convey any such impression. It was, therefore, wholly unnecessary for him to prove by a letter from the Secretary, that I received my share of the two payments. That I never denied, but I always denied that I received a dollar, directly or indirectly, which I could not lawfully and honestly, and with the utmost propriety receive. And that I still deny.

Mr. Hooper refers to "the report of the investigation made by the District Attorney." Why did he not print Mr. Dana's report with the Secretary's letter?

WHOSE AGENT WAS MR. WAY?

Mr. Hooper says:—

"Mr. Way went to the Messrs. Williams with information, that, in the examination of their books and papers seized by the Collector, a fraud had been discovered and offered his services to settle it. Who furnished Mr. Way with the information, and *instigated* him to communicate it to the parties, and offer his services? It could come only from the *Custom House*. If the offer of his services is accepted, it is true that he then became technically an agent of the parties for that special purpose, even though he *had been authorized by the Custom House, and furnished with the information requisite to show the parties that he had access to and possessed influence in the Custom House*. In no other sense than this was Mr. Way the agent of the Messrs. Williams in their transaction with Collector Goodrich."

Mr. Hooper means by this, that I used Mr. Way to levy blackmail, and extort money from the Messrs. Williams; that he was really the agent of the Government, though he might have been technically their agent; that I—"the Custom House" or "Collector Goodrich"—furnished him with information, and instigated him to communicate it for the purpose of extortion; and that he was "authorized by the Custom House" to communicate it for that purpose. I can only say that these statements or insinuations are utterly untrue. I never furnished Mr. Way with information to take to the Messrs. Williams for any purpose. The first conference with them at my office, when they were distinctly informed of the evidence furnished by their books, and were so impressed by it that they begged the privilege of making immediate settlement of the sherry invoices, was before I knew that Mr. Way had the least information on the subject himself. Nothing was concealed from the Messrs. Williams. At another time, still later, they desired to bring their lawyer to confer with me, and learn the facts from the books and letters for himself. To this I consented most cheerfully. Accordingly at a time appointed they came with their counsel, Mr. Welch, who had a long conference with Mr. Tuck, Mr. Farwell, and myself—as long as he desired,—and I am sure he will say that every possible facility was furnished him to possess himself of the facts. The letters, books, and papers were laid before him. The letters, as I dis-

tinctly remember, he read himself, and with such ease and rapidity that I judged him to be a good French scholar. He knew how Mr. Tuck and Mr. Farwell translated the phrase "la facture simulée," but he did not suggest that the proper translation was *pro-forma* invoice, and not *fictional* invoice. In short the facts were furnished him upon every point of inquiry, which would seem to be a sufficient answer to what Mr. Hooper elsewhere calls (pages 30 and 31) condemnation of the Messrs. Williams upon my "*ex parte* statement" "without giving them any definite information of the character of the evidence discovered in the examination of their books, *except what Mr. Way furnished them.*" But the idea that they needed information of the character of the evidence which their own books disclosed, is so absurd that anybody but an avowed defender of the palpable frauds which this house contrived and systematically practised for nineteen or twenty years, would have been ashamed to suggest it. Their difficulty was, not that they did not know what their books would prove, but that it was known at the Custom House also.

In no sense whatever did Mr. Way represent me, nor did I ever consult him on any subject. In a letter by him in reply to Mr. Hooper's pamphlet, addressed to the "Boston Transcript," and published in that paper on the 14th of December last, he says:—

"I never had the honor of being consulted by Mr. Goodrich. * * * If I had been thus honored, I think Mr. Goodrich would have done many things very different from what he did; but on the contrary, I was so much at variance with him that in the first settlement made by the Messrs. Williams, Mr. Goodrich did not know I was acting for them. I, fearing it would prejudice their interests, acted through a third party."

Mr. Way is strictly correct in saying that he was never consulted by me. He speaks of our being at "variance." It would have been more correct if he had said there was no sympathy between us, as there was not a particle. His letters have been written without the slightest prompting or knowledge on my part. I have not communicated with him in any manner, on any subject, nor he with me, since he sailed for Europe in the summer of 1865, nor has anybody communicated with him on my behalf, to my knowledge.

Mr. Moses B. Williams testifies as follows:—

Question. "State whether or not Mr. Way did not act, in what he did, at your request and as representing your firm?"

Answer. "He did act at our request, and represented our firm in what he did."

The following is an extract from the deposition of Mr. Moses Williams:—

"During the year 1865, I was the senior member of the firm of John D. & M. Williams. I never made any statements to _____, in reference to the amount which was paid by my firm to the U. S. Government, in settlement of claims made upon us during that year. * * * The negotiations resulting in said settlement were conducted by Mr. Samuel A. Way in behalf of my firm, at my request."

The following letter from Mr. Tuck, the Naval Officer, is to the point on Mr. Way's agency, as well as on one or two other points:—

EXETER, N. H., Dec. 6, 1866.

HON. J. Z. GOODRICH.

DEAR SIR, — Recognizing your right, if you have occasion, to avail yourself of any knowledge possessed by me in regard to your conduct as Collector at Boston, during the period that I was your colleague in the Naval Office, I comply with your request to make a statement upon some points respecting your settlement of the Williams affair in May, 1865.

That Samuel A. Way was the earnest and indefatigable agent of the Messrs. Williams in that settlement, and that he was, in no sense whatever, the agent, employée or confidant of yourself, or of any one connected with the Boston Custom House, are facts which do not admit of question. During the whole affair, Mr. Way was not entrusted with any knowledge of our views, not intended to be communicated to his employers, and he never admitted anything on his part which did not tend to disprove or extenuate the charges made against them.

The charge against you, of persecution and extortion, is surprising, when it is considered that you acted under direction of the Treasury Department, and were opposed, to the last, to the acceptance by the Government of the \$100,000 received. You insisted it was your duty to refuse that amount, and to report the case for an impartial investigation by the Court and a jury. You were pursued for weeks by those making earnest entreaties in behalf of the Williamses, to allow them to pay this money, and you as resolutely adhered to your purpose of sending the case to Court, until you received written direction from Washington to accept the money and to adjust the case. You obeyed that order, — reluctantly, I know, — and now you are accused of persecution and extortion, if not of something worse, for what you did. If the Williamses were as blameless as they represent, I am sure you did more than all others to afford them opportunity to vindicate their innocence. I am the more ready to say this, because you and I differed in opinion at the time, upon the expediency of the action of the Department, in ordering you to receive the money offered.

Inasmuch as I gave you a translation of the words "*la facture simulée*," contained in one or more of the letters in the French language, of Mr. Roederer to Messrs. J. D. & M. Williams, it is proper I should say a few words upon the alleged misapprehension in respect to them. It is said the proper translation is "the pro-forma invoice." Pro-forma means, as a form, for a form, &c. The invoice required at a Custom House, must be the true invoice on which the goods were bought, and is to be sworn to as the true, only, genuine invoice, which correctly states the cost of the merchandise. An invoice, used merely "as a form, for a form," not setting forth the true cost of the merchandise, not of any account between the parties, in their business, setting forth a price less than what was paid, though sworn to by a merchant, is a false invoice. The words "*la facture simulée*," were used by Roederer to distinguish such an invoice, made for the Custom House only, from the genuine invoice, for use in settling the account for the wine. The translation, "the fictitious invoice" is correct. It is according to the common meaning of the words, and is the sense in the particular connection in which they are found in the letters. The translation was known, at the time, to the parties involved, one of whom took a copy of a portion of one of the French letters in which the words were used, and in my presence read the letters in French, as though he understood the language. This was a week or two before the settlement, and the copy was taken because of the translation known to be assigned to the words, yet I never heard that any one denied the accuracy of the translation, till I saw it denied in Mr. Hooper's pamphlet.

Yours, respectfully,

AMOS TUCK.

RECOMMENDATION TO ACCEPT \$100,000, APRIL 22.

Mr. Hooper says: —

"Unfortunately for Mr. Goodrich, there is on file at the Department the written proposition made by Mr. Farwell, when he was sent to Washington to recommend the compromise of \$100,000, dated April 22, 1865; being more than a week before Mr. Jordan went to Boston to examine and report to the Sec-

retary whether, in his opinion, the \$100,000, as recommended by the Custom House officers, should be accepted. * * *

"It appears from Mr. Jordan's statement to the Secretary, that, after learning the facts of the case in Boston, he was decidedly of opinion that the proposed compromise of \$100,000 should be accepted. To examine and report upon the expediency of accepting this compromise, as recommended by the officers of the Custom House on the 22d of April, was the sole object of Mr. Jordan's visit to Boston."

There is nothing in all this so very "unfortunate for Mr. Goodrich" as Mr. Hooper seems to suppose. I do not know but Mr. Farwell, on the 22d of April, recommended the acceptance of \$100,000 in compromise, but, if he did, it was on his own responsibility and without my knowledge. He had a perfect right to make any recommendation he pleased. But I never heard any suggestion of any such recommendation till I saw it in Mr. Hooper's pamphlet. Not a syllable was said, in my hearing, while Mr. Jordan, the Solicitor, was at the Custom House on the 2d of May, either by him, Mr. Tuck, or Mr. Farwell, which looked to the acceptance of any such sum. I heard no one suggest a lower sum than \$300,000, and I am confident I cannot be mistaken in saying that Mr. Jordan favored the higher sum of \$350,000. It was not till after he had left Boston on his return, and the discovery (which was after he had left) of the unrepealed statute of limitations that I heard a word from anybody, except Mr. Way, favoring the acceptance of \$100,000. The officers of the Custom House, therefore, if Mr. Hooper means to include me among them, never recommended a compromise of \$100,000 on the 22d of April. I certainly made no such recommendation, nor have I ever understood Mr. Tuck did. I did not recommend a compromise for that sum at any time. "Unfortunately for" Mr. Hooper, what he states is not true. I have never seen Mr. Jordan's statement to the Secretary. Mr. Hooper says it was made on the 6th of May, and states that "the Government was barred from proceedings for penalties not incurred within five years." I supposed it was that fact, which he did not know when at Boston, which induced him to change his mind and favor the acceptance of \$100,000, but I never exchanged a word with him on the subject.

LETTER OF THE MESSRS. WILLIAMS TO THE SECRETARY, JAN. 12TH, 1865.

This is an extraordinary letter. Mr. Hooper introduces the extracts he makes from it, with remarks quite in keeping with the rest of his pamphlet, viz. : —

"The consent to the payment of money by Mr. Moses B. Williams, who finally made the arrangement upon his sole responsibility and without consultation with his partners, was, in my opinion, an act of moral weakness on his part, which has since been most painfully expiated. It was his intention that neither his firm nor Messrs. E. Codman & Co., should pay any part of it, as it was paid for the *benefit* of his father, who could *well afford* it from his large wealth ; but, after the transaction became known to the others, they claimed that it justly belonged to them all to bear their proportion, as the money was paid to settle a claim, which, *however unjust*, grew out of their common business. The history of the whole transaction and of the motive of Mr. Moses B. Williams in consenting to the payment of money, is recorded

in his letter, signed by the firm, dated Jan. 12th, 1865, in reply to the Secretary of the Treasury, of which the following is an extract: —

“On the 3rd of April, a formal demand was made upon us by the Collector, for \$557,820, as the value of the champagne wines sent us by Mr. Roederer, since May, 1858, up to the time of the present tariff, — all this wine being alleged to be under invoiced, and liable to forfeiture, under the Act of 1799; and we received a written notice, that, unless we complied with this demand, legal proceedings would be commenced.

“Mr. Samuel A. Way, who is the senior member of a banking house with Mr. French (late Deputy Collector, and son-in-law of the Naval officer), now intervened in the matter, and intimated to us that the Collector would compromise the claim for \$300,000. This compromise we declined to make. A new warrant was now procured by the Collector, alleging frauds by our firm and Codman & Co., as importers of the champagne wine, and our store was searched. Up to this time we felt perfectly easy, as we had consulted counsel, and received a favorable opinion from them upon the matter. But now the health of our present senior partner, the father of the writer, who is approaching his seventy-fifth year, and who has within the last three years experienced severe domestic misfortune, began to be seriously affected; and we found, to our alarm, that his *anxiety* was producing sleeplessness at night, and a nervous condition in the day time, which it was impossible his constitution could long bear. *We also found that this was clearly perceived by the officer of the customs.* We were now notified by Mr. Way that a new demand had been prepared, covering all the champagne imported by us since 1846, and amounting to between \$2,000,000 and \$3,000,000, on the ground that all statutes of limitation had been repealed by the statute of 1863;” also, “that the Collector could commence proceedings for the whole \$2,000,000 or \$3,000,000, and attach our property for this claim, and keep it, with our books &c., out of our possession for a great length of time. This would have stopped our business; and, by depriving us of the personal custody of our large stock of wines for so long a time, would have materially diminished their value in the market, when they were returned to us, besides in other ways seriously injuring our affairs, by the damage to our reputation, in a pecuniary point of view, especially at a distance. These considerations, and the belief (on the part of the writer) that his father could not long sustain the *pressure* daily brought to bear upon him, induced us to decide to compromise the claim, notwithstanding we *believed* it to be a most unjust one, and only urged for the purpose of extorting money from us.”

These are all the extracts Mr. Hooper makes from the letter. I publish them, because they are what he calls “the history of the whole transaction.” They are all the explanation that has yet been made by the Messrs. Williams. This is the letter of which Mr. Williams refused to furnish a copy, when testifying before the Magistrates. I should be glad to see the whole of it. The extracts begin with the demand made by the Collector, on the 3rd of April. After stating what the demand was, the letter adds that Mr. Way *now* intervened. From this it would seem that he did not do this before the 3d of April, which was six days after the sherry invoices had been settled. If the letter assigns any motive for settling the sherry claim, or says anything about it, Mr Hooper has omitted to print that part of it, which is a matter of regret. With that part omitted, we have not quite the “whole” history. But there is some compensation for this, in now and then an extra fact, not strictly part of the “history.” One is, that Mr. Way was the senior member of a Banking House with Mr. French, late Deputy Collector, and son-in-law of the Naval Officer. They deemed it important for some reason that the Secretary should know this. But as there could be no good motive for making this allusion to Mr. French and Mr. Tuck, the Naval Officer, I repeat my entire confidence in their integrity as

men and officers. The letter alludes to the anxiety of the senior partner, and to his sleepless nights, and nervous condition in the day-time, and adds that "*this*" was clearly perceived by "*the officer of the customs.*" By this they mean to be understood as saying that *I* saw all this and was influenced by it, — than which nothing can be more untrue. Whether Mr. Way told the Messrs. Williams "that the Collector could commence proceedings for the whole \$2,000,000 or \$3,000,000, and attach their property, and keep it, with their books, &c., out of their possession for a great length of time," I cannot of course know, but I know I never said anything of the kind to him. The idea of attaching their property for any amount, was at no time alluded to, so far as I remember. That was a matter which the District Attorney would have attended to, if the case had been reported to him, and I never gave it a moment's thought. There was no reason why I should. The extracts close by saying, that they were induced by the considerations named "to compromise the claim, notwithstanding they believed it to be a most unjust one, and only urged for the purpose of extorting money from them." Is there a man in Boston, who believes that the firms of J. D. & M. Williams and Edward Codman & Co., if they had felt conscious that this matter had been straight-forward and honest from beginning to end, and that an examination of their books, letters, and papers, and a comparison of their entries on their books with their entries at the Custom House, would show it to have been so, would have paid \$125,224 to settle the claims, and \$32,000 as bribe money? Everybody knows if they had felt thus, they would have defied the Government and every Custom House officer, and refused to pay a dollar.

CONGRESSIONAL COMMITTEE'S REPORT.

Since the foregoing was in type, I have seen in the public prints the report of the Congressional Investigating Committee. It is occupied entirely with the alleged J. D. & M. Williams frauds and the circumstances attending the compromise and settlement. I have thanked Mr. Hooper for enabling me to furnish proof positive of all I have ever alleged against the Messrs. Williams. And now the additional facts furnished by the Committee, which not only conclusively establish the fraud, but show that it amounted to considerably more than I had supposed, make the proof, if possible, still clearer and stronger. The Committee say that —

"Prior to 1841 the invoice valuation was \$9 per basket for whole bottles, and \$10 for half-bottles. In the year 1841, a correspondence with Roederer resulted in an agreement to receive the wines direct and *pay the same prices*, deducting therefrom the expenses of importation, breakage, &c. * * Up to December, 1846, the wines continued to be valued in the Custom House invoice at the *prices before specified.*"

The Committee then add: —

"In 1854 an addition of fifty cents on each basket was allowed and paid to Roederer. In 1856 this addition was raised to one dollar a basket. In 1859 the addition was reduced seventy-five cents per basket, and as thus modified, the 1841-6 prices continued to the time of the seizure of the books, papers, &c., the 24th of March, 1865."

That is to say, from 1846 to '54, the price was \$9 per basket for bottles, and \$10 for half-bottles; from 1854 to '56, it was \$9.50 and \$10.50; from 1856 to '59, it was \$10 and \$11; and from 1859 to '65, it was \$9.25 and \$10.25. I did not know before that these additional prices were paid. At \$10 and \$11 per basket, the price from 1856 to '59, the net amount remitted in settlement was \$8.70 per basket, — equal to a small fraction less than 47 francs.

This was the foreign cost, as the Committee admit. And it is admitted by Mr. Hooper, and I assume by the Committee also, for they state nothing to the contrary, that these very wines were entered at the Custom House at 33 francs per basket, or about 30 per cent. less than the cost.

And the Committee knew that when these 33 franc invoices, which they call the "facture simulée, or assumed invoices," were entered, the following oath was taken by one of the firm, with knowledge by all the firm that it was required to be taken: —

I, — — —, do solemnly and truly swear that the invoice now produced by me to the Collector is the true and only invoice received; * * that I do not know or believe in the existence of any other invoice of said goods, wares, and merchandise; that the entry now delivered to the Collector contains a just and true account of the said goods, wares, and merchandise, according to the said invoice; that nothing has been on my part, nor to my knowledge on the part of any other person, concealed or suppressed, whereby the United States may be defrauded of any part of the duty lawfully due. * * And I do further solemnly swear, that to the best of my knowledge and belief, the invoice now produced by me exhibits the actual cost or fair market value, at — — of the said goods, wares, and merchandise."

The same oath was taken on every invoice — some 130 in number — from 1846 to 1865. Let me recur to these facts again, even at the risk of some repetition. They are the pivot on which the whole question turns. According to the Committee, then, the price from 1846 to 1854 was \$9 per basket for bottles, and \$10 for half-bottles. Mr. Hooper shows that 1567 baskets at these prices, after deducting all charges claimed by the Messrs. Williams themselves (for the copy of the actual settlement was of course furnished by them), left a net, which was remitted to Roederer, of \$12,070.08, or \$7.70 per basket — equal to 41½ francs.

From 1854 to 1856, the price was \$9.50 for bottles, and \$10.50 for half-bottles, which left, after deducting the same charges, a net, which was remitted to Roederer, of \$8.20 per basket, equal to 44 francs.

From 1856 to 1859, the price was \$10 per basket for bottles, and \$11 for half-bottles, which, after deducting the same charges, left a net, which was remitted to Roederer, of \$8.70 per basket, equal to 47 francs.

From 1859 to 1865, the price was \$9.25 for bottles, and \$10.25 for half-bottles, which left, after deducting the same charges, a net to be remitted to Roederer, of \$7.95 per basket, equal to 42¼ francs.

Such were the net prices during these different periods, covering the whole nineteen years, which were remitted to Roederer, but the "facture simulée or assumed invoice" price for entry at the Custom House was 33 francs. I am now stating *admitted, conceded facts*. With these additions to the prices, on which no duty was paid, these

houses gained by this fraud, deliberately contrived and systematically executed, more than \$350,000, including interest; and the Government lost the same amount. There is no escape from this. But the Committee see nothing wrong in it all, and proceed to exonerate the Messrs. Williams. They say: "It appears from the different members of the Williams firm, and by the evidence of ex-deputy Collector Andros, *and was not controverted*, that the custom officers at Boston had had *at all times*, on request, free access to the books, letters, and invoices of these importing houses; that the quality of the wines and their proper valuation for entry at the Custom House had from time to time been repeatedly examined and considered, *and mutually determined upon*." All this is entirely new to me. No statements like these were *controverted* by me, for I did not know that any such statements had been made before the Committee. My attention was not called to them. I have not seen the testimony of a single witness. My own was written down by the Committee's reporter, or such part of it as he chose to write. I have not been allowed to see and revise it, though I long ago requested by letter to the chairman that I might be before the report was made. I do not intimate that it was not correctly taken down. I presume it was. But I am sure I am not responsible for not controverting statements before the Committee which I never knew were made. If the Committee had evidence from Mr. Andros, or anybody else, that the valuations at which these wines were entered had been determined upon between the Messrs. Williams and the customs officials, or *mutually determined upon* with a knowledge of the cost, their report should have been commenced in terms of the severest censure they could employ of such officials, whether incumbents then or ex-officials. I never had the slightest suspicion that the wines of these firms were undervalued till the information given me by Mr. Farwell. The question was never presented to me in any form till then, and of course I did not ask for their books. I remember that the first warrant did not authorize a seizure of the books and papers back of a few of the later years, but during the examination it was found that they were needed still further back, and an officer was sent to request them, but they refused to deliver them. He then presented the old warrant, but they claimed that it gave no authority to take them, and still refused. This led to the necessity of a new warrant, which was obtained. Another circumstance quite to the point is, that the books of the Williams firm disclosed two sets of invoices of the sherry wines, — one being copies of those sworn to, and on file at Boston and New York; the other, the genuine invoices by which remittances in payment in sterling had been made. As soon as the computation was made of the value of these wines, the amount was immediately paid in full. The books, papers, and letters, were then returned to them. Upon the second seizure of the books and papers, the fraudulent invoices relating to the sheries, it was found, *had been carefully removed, and no trace of this fraud remained*. This settlement thus removed from sight the evidences of a fraud so open that no one, thus far, has had the hardihood to gloss it over or palliate it, and the facts still remain uncontroverted. If the Committee suppose these firms which had been defrauding the Government for nineteen years by false valuations and invoices, and were ready to pay \$32,000 bribe

money to buy a compromise at \$125,224, would open their whole budget upon a simple request, then all I have to say is, the Committee are *very green*.

The Committee further say "they requested ex-Collector Goodrich when before them last November, to furnish them with the original information, or complaint and affidavit, or copies of the same, upon which the seizure had been made, but up to this time he has neglected or failed to produce either the originals or copies inaugurating the first step in the case." I am surprised at this. The Committee telegraphed me at my residence in Stockbridge, 150 miles from Boston, to appear before them the next morning. The despatch was received too late in the afternoon for the last train for Boston, and I replied that I could not reach there that night, but would go the next morning. I went, and the morning after appeared before the Committee. This was on Friday, but they refused to hear me until the next Tuesday. I waited at considerable inconvenience and testified on Tuesday, and returned to Stockbridge. I remember they asked me for the papers referred to. I replied that I had not got them, but would ask the Chief Deputy at the Custom House to furnish them. This I did. It turned out that they were mislaid and could not be found. At length, however, after a great deal of search, they were found, and some two weeks ago, copies were forwarded, as the Deputy informs me, to the Chairman of the Committee. Some four to six weeks ago, the Chairman wrote me at Stockbridge, but said nothing about wanting these papers. There is nothing in them that I am not as willing the Committee should see as to see my hat. I told them how the Williams matter came up at the Custom House substantially as I have stated it in the preceding pages. This implied censure of me for not furnishing papers which were not in my custody or control, but were in the Custom House while I was at Stockbridge, shows the great extremity of the Committee for subjects of criticism.

And another matter, which I refer to only so far as it relates to me, was the division that was made of the shares which the law gave to the Collector, Naval Officer, Surveyor, and informer, and a large space in the report is occupied with criticisms upon it. The Committee think "the principle involved in making presents to, or receiving the same by, men in office, must be demoralizing." I was in the habit during the whole course of my Collectorship, of giving to other officers who had been particularly serviceable and faithful, such portion from my share in fines and forfeitures as seemed to be equitable and right. The Naval Officer and Surveyor did the same, and I am not aware of any objection to it. The Government deems it wise to allow the Collector to receive a share. Why may he not properly allow another officer to share it with him if he chooses? This was done by our successors, Mr. Hamlin, Mr. Gooch, and Gen. Underwood, and is done, as I understand, by the Collector, Naval Officer, and Surveyor in New York, according to circumstances. I received \$4,222 from Mr. Farwell's share as informer, which he voluntarily gave me; and I was still left \$4,111 less than the law would have allowed me if there had been no informer, and I do not see why the Committee should be so frightened about my being demoralized, while I kept that much within the legal limit of demoralization. But *my* answer to all this is, that I

did not wish to take the responsibility of deciding whether I should receive anything, and in fact I did not, for I made the settlement under explicit instructions from the Secretary of the Treasury. I exerted all the influence in my power to have the case reported to the District Attorney for judicial determination, and I wonder, with so much evidence on that point, the Committee could not have done me the justice to say so.

The doctrine of the following passage is an extraordinary one to be announced by a committee of Congress charged with the duty of ascertaining whether the revenue laws have been honestly and faithfully observed : —

“ If the Champagne wines entered were in strictness of law at too low a valuation, when that valuation was known and acquiesced in at the Custom House, is it surprising the parties themselves should regard the valuation as the correct one. to be made ? ”

Suppose for a moment it be true that the valuation was known and acquiesced in at the Custom House (as it certainly was not while I was Collector), how could that in the slightest help to justify the Messrs. Williams? Suppose Mr. Moses Williams had called at my office and said he had two invoices of a thousand baskets of wine, that one was the genuine invoice and represented correctly the actual cost and foreign market value at forty-seven francs the basket, and the other was a false and “ assumed ” invoice made for the Custom House to evade part of the duties, at thirty-three francs per basket, and thirty per cent. below the cost or foreign market value, but that he was ready to swear that it was the true and only invoice and exhibited the actual cost, and suppose I had replied that I would accept it ; the Committee say it would not be surprising in such a case if Mr. Williams should regard the valuation at thirty-three francs as the correct one. This precisely illustrates the idea of the Committee. Suppose I had been bribed by \$32,000 to accept it, doubtless the Committee’s surprise would then have been less. But I utterly deny that the fraudulent undervaluation of these wines was known and acquiesced in at the Custom House while I was Collector. It certainly was not by me, and I have no idea it was by the Appraisers or other officers. But the Committee will be understood as speaking of me as the responsible head, and, in presenting statements to Congress and the country to the effect that these fraudulent undervaluations by the Williams & Codman firms were known and acquiesced in at the Custom House, without excepting me in terms, they have done me the grossest injustice, and I respectfully but earnestly urge upon Congress to demand of the Committee proof of what they state or clearly imply against me as the former Collector of the port of Boston, or let it be known that the charges are untrue.

Another passage which shows the latitude the Committee are willing to give to importers to accomplish their fraudulent purposes, is the following : —

“ It must also be borne in mind that these Champagne wines were by the contract with Roederer purchased at the port of delivery, the price subject to a variety of uncertain charges not pertaining to the foreign value, and hence the foreign valuation for assessment of home duties could only be fixed by examination. Hence the necessity of resorting to the *facture simulée* or assumed invoice in contradistinction to the true one corrected by the deduction of those contingent charges.”

This means that an importer who buys wines abroad at a price from which the cost of importation is to be deducted on arrival at the port of delivery, may enter them by a false invoice twenty to thirty per cent. below their cost or foreign value, and justify himself on the ground that he could not tell precisely what those charges would be. The answer to this is, that no importer has a right to import goods under a contract which will prevent him from entering them at the Custom House at the cost. He is bound to pay the lawful duty, which cannot be assessed on a sum less than the cost. By turning back to page 9 the reader will see that really the only item of which Roederer could not determine the amount when he made out the invoice, as well as the Messrs. Williams, was the small deduction for broken bottles. If I understand the Committee this creates a *necessity* which justifies the "*facture simulée* or *assumed* invoice" in contradistinction to the *true* one. Their language is— "Hence the necessity of resorting to the "*facture simulée* or *assumed* invoice," in an argument to extenuate, not to condemn. This is extraordinary language for members of Congress to use who are charged with the duty of ascertaining whether the revenue laws have been honestly and lawfully executed. Can there be any necessity, any justifiable necessity, at any time, or under any circumstances, of resorting to an "assumed" or false invoice to defraud the Government?

The Committee speak of the true invoice "*corrected*" by the deduction of these contingent charges. But did they in all their investigations find a single instance in which, after the true invoice had been thus corrected, the Messrs. Williams applied to the Custom House to correct the false invoice? Not one, I venture to assert.

THE MINORITY REPORT.

Since writing the foregoing and leaving it with the printer, I have seen the letter of the "Daily Advertiser's" Washington correspondent written on the 12th. He says:—

"The minority of the House Committee on public expenditures, Messrs. Plants of Ohio, and Nicholson of Delaware, to-day submitted their report on the Boston Custom House. They differ very decidedly from the majority. * * In answer to the question, Did the Messrs. Williams defraud the Government? they say the evidence of a long-continued importation under double invoices between the parties was conclusive. The letters between them, the double invoices, the books and the testimony all tell the same story. There is neither conflicting, contradictory, explanatory nor palliating evidence in the case. It stands out a bold, naked, inexcusable, conclusively proved, and undenied fraud."

MR. HOOPER'S DEFENCE OF MR. DIX.

Mr. Hooper says "Mr. Dix was removed by Mr. Goodrich on a charge of fraud in the administration of his office." He was guilty of fraud or gross official misconduct, which may be made very clear, and Mr. Hooper's misrepresentations, and false and wholly original theories by which he attempts to justify him and deceive the public, may be made equally clear.

He says I pronounced all his statements "utterly and inexcusably false." I did not say that of *all* his statements in his report, but I did of some of them, and shall have occasion to say the same of others in his pamphlet. One is the following. He says:—

"In the case in question, the privilege of entry for consumption at the old rate of duty, expired three months after the deposit," meaning deposit in warehouse. In other words, he means to say that the law gave Chenery & Co. the privilege of entry for consumption, or of withdrawing their goods *from* warehouse within three months from their deposit *in* warehouse, without an increase of duty. This I pronounce utterly and inexcusably false; inexcusably so, because Mr. Hooper *knew* it was false, which I will prove, even to his satisfaction.

First. The tariff act of July 14, 1862, provided that warehoused goods must be withdrawn within three months from the date of *importation*, and not from the date of *deposit*, or be subject to double duty, and this was the law at the time the transaction referred to occurred.

Second. Mr. Hooper knew this was the law. In a conversation with me on this very point, he admitted that the law had been altered, but said "no change had been made in the practice at the Custom House in Boston, in consequence of the alteration; that the *date of importation* was construed to mean the same as the *date of deposit* in previous laws." I replied that that was not so, that the requirements of the new law were complied with at once; and to convince him that our attention had been specially called to it, I stated that Mr. Hanscom, then warehouse deputy at Boston (now in New York), was at the Treasury Department in Washington just after the first draft of the law had been prepared, and it was presented to him to examine and suggest such alterations as occurred to him, and that he suggested this very change, and told me he supposed it was made at his suggestion. To which Mr. Hooper replied:—"No, it was not; I was on the committee, and the change was made at my own suggestion."

But still further in regard to his knowledge of this law and what it meant. Not daring to affirm to Mr. Chase in his report, as he did in substance to the public in his pamphlet, that the old law was still in force, he was obliged to allude to the new law, as he did in this way:—"In regard to the law of July 14, 1862, *subjecting goods in public warehouses to an increase of duty when entered for consumption after three months from the DATE OF IMPORTATION,*" &c.

Such is the evidence that Mr. Hooper knew that the privilege of entry for consumption at the old rate of duty did not expire three months after the *deposit*, as he stated positively to the public it did, but three months from the *date of importation*, and I say he uttered a palpable and inexcusable falsehood. The evidence justifies me in saying he knew better, and meant to deceive the public. I take no pleasure in making these statements, but I doubt if a more reckless disregard of truth was ever exhibited. He had a purpose in misrepresenting the law, as we shall see before we get through.

That the requirements of this law were at once observed at the Custom House in Boston, I copy for the benefit of such as may not have seen my first pamphlet, the closing part of Mr. Hanscom's letter of May 14th, 1865, as follows:—

"As soon as the act reached me after its passage, I examined it to see if the suggestion had been acted upon, because it had proved inconvenient to keep a correct account of the date of deposit of goods in bonded warehouse,

while the date of original importation was a *fixed and certain record* made on arrival of the vessel. Finding the alteration had been made, as Deputy Collector, having in charge the warehousing business at the Custom House, I gave the necessary directions required by the change."

Mr. Dix was in the warehouse department and "the principal storage clerk" under Mr. Hanscom. The law had been in operation since the 28th of October, about three months and a half, and between four and five hundred entries had been made under it, and it is impossible he could have been ignorant of it. Indeed, he has never pretended that he was.

OTHER FALSE STATEMENTS.

I proceed to notice other statements by Mr. Hooper, as false as that in regard to the law. The first is this:—He says what I call the gross fraud, "resulted from the practice at the Custom House of considering the last day of deposit, *and the day of delivery out* of any portion of a cargo that had been entered for warehousing, without having actually been in warehouse, to be the date of deposit for the whole cargo. This practice may have been abstractly wrong; but it had been, and was then, the practice at the Custom House in New York as well as at Boston." This is untrue. There is no such practice as this, and never was, either in New York or Boston.

NO SUCH PRACTICE IN NEW YORK OR ELSEWHERE.

The Warehouse Deputy and Chief Clerk at the Custom House in New York have answered the questions below as follows:—

Q. "Is there a practice in New York, or has there ever been, of considering the last day of deposit *and the day of delivery out* of any portion of a cargo that has been entered for warehousing, whether it had actually been in store or not, to be the date of deposit of the whole cargo?"

A. "The last day of deposit of the goods upon any warehouse permit is considered as the day of deposit of all the goods upon that permit, *but the day of delivery out has nothing to do with the date of deposit.*"

Q. "Is there a practice at the Custom House in New York, or has there ever been, of considering the day of *delivery out* of any portion of a cargo that had been entered for warehousing, whether it had actually been in store or not, to be the date of deposit for the whole cargo?"

A. "There has never been such a practice."

Q. "Has the time when an order is presented for the delivery out of withdrawn goods on which duties have been paid, anything whatever to do with the question of date of deposit of any portion of the cargo?"

A. "Nothing whatever."

(Mr. Hooper, in his Report to the Secretary stated, that "when, after having been entered for warehousing, any portion of the goods specified in the entry is entered out before it has been sent to the warehouse, as was the case in this transaction with Chenery & Co., the time when the delivery permit is received by the storekeeper is considered the final date of deposit.")

Q. "When, after having been entered for warehousing, any portion of the goods specified in the entry is entered out before it has been sent to the warehouse, is the time when the delivery permit is received by the storekeeper considered the final date of deposit in warehouse, or was it ever so considered at the Custom House in New York?"

A. "Never."

"NEW YORK, Feb. 1, 1867.

"The replies to the foregoing questions, written at the bottom thereof, state correctly the practice as it has existed in the warehouse department of

the New York Custom House, ever since the establishment of the warehouse system.

“J. W. STEDWELL, Deputy Collector Warehouse Division,
“JOHN R. LYDECKER, Chief Clerk Warehouse Division.”

“The replies to the foregoing questions, written at the bottom thereof, state correctly the practice as it existed at the Boston Custom House, during our official connection with it, and we never heard of the existence of a different practice.

“F. O. FRENCH, Deputy Naval Officer, Sep. 1862, to 23 May, 1863. Deputy Collector, 23 May, 1863, to March, 1865.”
“HOSEA ISLEY, Principal Storage Clerk.”

Mr. Bird, the principal Deputy at the Portland Custom House, and the Collector at Philadelphia, have given precisely the same answers, in substance, to all the foregoing questions. They will not be objected to, even by Mr. Hooper, because they do not cover the whole ground, or are not sufficiently clear and explicit in denying the existence of any such practice as he speaks of. I venture to assert, that it was never heard of, till it was invented to meet the exigencies of this case. After Mr. Hooper had exhausted himself on his practice or custom in his Report and before the Secretary, Mr. Chase said—“I am satisfied, Mr. Goodrich, that there was no such custom, and, if there had been, and you had known it, it would have been good cause for removing you.” And yet, he repeats it in his pamphlet. It amazes one to see with what reckless audacity he ventures upon, and persists in repeating assertions deemed necessary to his purpose, which have not the shadow or semblance of truth. He admits that the practice was “*abstractly wrong* ;” but as it was the only ground upon which the pretence of an excuse could be offered for Mr. Dix, he boldly asserted, that it had been, and was then, the practice in New York and Boston, when it was not, and never had been at either place.

ORIGINAL PAPERS.

The facts as to the time of importation, time of deposit, time of returns, and time of withdrawal, will best be shown by the original papers. The following is a copy of Chenery & Co's. Warehouse entry, omitting figures, marks in the margin, &c., of no consequence.

“*Warehouse Entry.*

“CUSTOM HOUSE, Boston, 24 July, 1862.

“Entry of merchandise, imported on the 24th day of July, 1862, by Chenery & Co., in the Danish brig *Wm. Moore*, Klynn, master, from St. Croix, W. I.

“219 casks molasses ; 24 hhd. sugar ; 6 bbls. sugar and 48 puns. rum.

(Signed,)

“CHENERY & Co.”

The oath on the back of the entry was taken the same day, by W. W. Chenery.

There is also on the back of the entry the following : —

“*To the Collector :*

“We request that the merchandise named in the within entry, may be warehoused in C. H. Block (Custom House Block).

(Signed,)

“CHENERY & Co.”

On the same day the following order was issued : —

“CUSTOM HOUSE, Boston, Collector's Office, July 24, 1862.

“*To the Inspector of the Port :*

“You are directed to send to the Bonded Warehouse, C. H. B., 219 casks molasses; 24 hhds. sugar; 6 bbls. sugar and 48 puns. rum, imported on the 24 day of July, 1862, by Chenery & Co., in the brig *Wm. Moore*, &c.

“A. HANSCOM, Deputy Collector.

“C. D. LINCOLN, Deputy Naval Officer.”

This was given to, and executed by Spencer Field, Inspector.

Also on the same day the following order was issued : —

“CUSTOM HOUSE, Boston, July 24, 1862.

“*To Assistant Storekeeper :*

“Receive into Warehouse at C. H. B., from brig *Wm. Moore*, Klynn, master, from St. Croix, the following named merchandise, entered by Chenery & Co., and when received, make return hereon :

“219 hhds. molasses; 24 hhds. sugar; 6 bbls. sugar and 48 puns. rum.

(Signed,)

“T. B. DIX, for Storekeeper.”

This was sent to, and executed by J. P. Paine, Assistant Storekeeper.

The next day the Inspector delivered the cargo to the Storekeeper, as appears by the following Warehouse receipts : —

“BOSTON, July 25, 1862.

“Received in Warehouse at C. H. B., from on board brig *Wm. Moore*, Klynn, master, from St. Croix, two hundred and nineteen casks of molasses, marked and numbered as per margin, and imported by Chenery & Co.

(Signed,)

“J. P. PAINE, Storekeeper.

“From Spencer Field, Inspector.”

“BOSTON, July 25, 1862.

“Received in Warehouse at C. H. B., from on board brig *Wm. Moore*, Klynn, master, from St. Croix, twenty-four hhds. and six bbls. sugar, marked and numbered as per margin, and imported by Chenery & Co.

(Signed,)

“J. P. PAINE, Storekeeper.

“From Spencer Field, Inspector.”

“BOSTON, July 25, 1862.

“Received in warehouse at C. H. B., from on board brig *Wm. Moore*, Klynn, master, from St. Croix, forty-eight puns. rum, marked and numbered as per margin, and imported by Chenery and Co.

(Signed,)

“J. P. PAINE, Storekeeper.

“From Spencer Field, Inspector.”

The following is the Inspector's return : —

“Return of merchandise unladen under my inspection, pursuant to permits and orders for the purpose, from on board the brig *Wm. Moore*, Klynn, master, from St. Croix; Manifest, No. 1462; Discharged, July 26; Returned, July 26, 1862; Date of permit, July 24; Name of the person in whose behalf the permit is granted, Chenery & Co.; Bonded Warehouse, C. H. B.; Number and description of packages warehoused, delivered, or stored, two hundred and nineteen casks molasses, twenty-four hhds. sugar, six bbls. sugar, and forty-eight puns. rum; When delivered, warehoused, or stored, July 25.

(Signed,)

“SPENCER FIELD, Inspector, July 26, 1862.”

The Storekeeper's instructions were, “*When received, make return hereon,*” that is on the order itself. Having received the merchandise, he accordingly made his return, which was as follows : —

"BOSTON, July 26, 1862.

"To the Storekeeper :

"The merchandise permitted within was received into store on the 25th day of July, 1862, excepting —
(Signed) "J. P. PAINE, Assistant Storekeeper."

(It being all received, there was nothing to except.)

It thus appears, first, that the cargo was imported on the 24th of July. Of this Chenery & Co.'s warehouse entry, made on that day and sworn to and confirmed by all the other papers, is sufficient proof, and nothing more need be said on that point. And second, that it was delivered to the Storekeeper and warehoused on the 25th. This is shown by the Storekeeper's warehouse receipts, acknowledging that he received it that day from Inspector Field. When the receipts were given, the custody of the goods passed from the Inspector to the Storekeeper. That is what constituted warehousing, either actual or constructive. That these goods all passed from the legal control and custody of the Inspector to the legal control and custody of the Storekeeper on the 25th, cannot admit of question. The Inspector's and Storekeeper's returns are further proof of the same fact. It is not possible to have more conclusive evidence on this point.

As Chenery & Co. wished to sell the sugar and molasses on the 26th, that part of the cargo, for their convenience, was left on the wharf for this purpose, considering and treating it as constructively in the warehouse. This Mr. Hooper admits was proper. He said: "The sugar and molasses, after having been *entered* for storage, could be obtained for delivery to the purchasers *only* by entering it out, *as if it was actually in the warehouse*; for this purpose it is considered *constructively in the warehouse* while on the wharf."

What Mr. Hooper means by this is, that goods that have been entered for storage must go through the storage department to be withdrawn. After entry for storage they cannot be delivered by the Inspector, even though the duties might be paid. They must be delivered by the Storekeeper. But he cannot deliver them until he has received them, and they are in his custody. Of course he cannot deliver goods which are in the custody and control of the Inspector, and they are always in his custody and control until he delivers them to the Storekeeper. Consequently, goods entered for storage must be warehoused by delivering to the Storekeeper before they can be withdrawn. Mr. Hooper doubtless had in mind the following provision of law: —

"The importer, owner, or consignee of such goods, may, at any time *after the deposit shall have been made*, withdraw the whole or any part thereof, on paying the duties on what may be withdrawn."

When, therefore, goods are entered for warehousing, they cannot be withdrawn till *after deposit*, actual or constructive. In this case the rum, as Mr. Hooper admits, was actually, and the sugar and molasses constructively, deposited in the store on the 25th. The Custom House received the usual and proper evidence that this had been done on the 26th, by the returns of the Inspector and Storekeeper on that day. Chenery & Co. could now withdraw the whole

or any part of the cargo by paying the duty. Accordingly they sold the sugar and molasses the same day, paid the duty, and made the following withdrawal entry : —

“CUSTOM HOUSE, Boston, July 26, 1862.

“*Withdrawal entry for consumption at port of original importation.*

“Entry of merchandise intended to be withdrawn from warehouse by Chenery & Co., which was imported into this district on the 24th of July, 1862, by them in the brig Wm. Moore, ——— master, from St. Croix :

“Two hundred nineteen casks of molasses ; twenty-four hhds. sugar, and six bbls. sugar.

(Signed)

“CHENERY & Co.,

“Per S. FULLER, Attorney.”

Whereupon the following order or *delivery* permit was issued : —

“DISTRICT OF BOSTON AND CHARLESTOWN, CUSTOM HOUSE,
BOSTON, July 26, 1862.

“*To the Storekeeper of the Port, C. H. B. :*

“*Duties having been paid, you will deliver to Chenery & Co. two hundred and nineteen casks molasses ; twenty-four hhds. sugar, and six bbls. sugar, imported into this District on the 24th of July, 1862, by them, in the brig Wm. Moore, ——— master, from St. Croix.*

(Signed)

“A. HANSCOM, Deputy Collector.

“C. D. LINCOLN, Deputy Naval Officer.”

This was the actual *withdrawal* of the goods, though not the actual *delivery*. Secretary Chase, doubtless surprised at Mr. Hooper's pretense in his report to him, that “*the time when the delivery permit is received by the Storekeeper, is considered the final date of deposit,*” wrote the Collector at New York on the subject, who replied, February 2, 1864, as follows : —

“I regard the *payment of the duties* on the withdrawal entry, as the *actual act of withdrawal, no matter when thereafter the order was presented to the Storekeeper.*”

This disposed of the sugar and molasses. *It had been warehoused and withdrawn.* The fact that it had been withdrawn alone proved that it had been warehoused. The withdrawal entry itself states that it was withdrawn from warehouse. Chenery & Co. had paid the duties on it, and had an order for its delivery, which they could present when they pleased. There was, therefore, nothing left but the rum after the 26th of July, when the sugar and molasses were withdrawn.

So the matter stood till the 28th of October, when Chenery & Co. applied to Mr. Payne, warehouse bookkeeper, to withdraw the rum, who informed them, that more than three months having elapsed since it was imported, it was subject to double duty. Mr. Hooper's statement is that “the warehouse bookkeeper, Mr. H. A. D. S. Payne, decided that the rum was subject to duty at the rate of one hundred and eighteen cents per gallon, *under the law of July 14th 1862.*”

The fact that this law was mentioned in the very first reply given to Chenery & Co., is evidence enough that the clerks were very familiar with it. But even under the old law the privilege of withdrawing the rum at the old rate of duty had expired, for it had actually been in warehouse three months and three days. But the

matter was arranged; not legally, but yet arranged. When informed by bookkeeper Payne that it was subject to double duty, Chenery & Co. objected, and presented the question to Mr. Dix, who says he stated, that as it appeared from the return of the storekeeper that it had been in warehouse 'more than three months, it could not be withdrawn without double duty. Chenery & Co. then went to the warehouse, and as the storekeeper informed me, endeavored to persuade him that it was not warehoused till the 28th of July, and that his return was wrong. But the storekeeper after examining his books was satisfied he received it into warehouse on the 25th, and that his return was right. Chenery & Co. called on him at two other times, as he thinks, on the same subject, and made substantially the same statements. At one time they brought his return from the Custom House and requested him to alter it, which he declined to do. He then went to the Custom House at their request, and first saw Mr. Payne, who went with him to Mr. Dix's desk. The storekeeper stated to Messrs Dix and Payne that he received the rum, sugar, and molasses on the 25th July, and delivered the sugar and molasses out to Chenery & Co. on the 28th, as his receipts and returns show. So he has always stated to me. Finally, the storekeeper, by the advice and direction of Mr. Dix, as bookkeeper Payne and the storekeeper both said to me, altered his return. As originally made, and already copied, it was as follows:—

"Boston, July 25, 1862.

"The merchandise permitted within, was received into store on the 25th day of July, 1862."

As altered it was as follows:—

"Boston, July 28, 1862.

"The merchandise permitted within, was received into store on the 25th and twenty-eighth day of July, 1862."

Wishing to do every possible justice to Messrs. Chenery & Co., and Mr. Dix, I copy Mr. Hooper's statement of what I suppose to be their own version furnished for his report to the Secretary as follows:

"Messrs. Chenery & Co. claim that the (storekeeper's) return was erroneous, as the date of deposit in the warehouse was the 28th, instead of the 25th July."

In connection with this, I will state a fact or two, and leave the reader to judge. They admit that the rum was actually put into store on the 25th, and that they paid the duties on the sugar and molasses on the 26th, and withdrew it from warehouse. This embraced the whole cargo. How, then, any of it could have been deposited on the 28th, the reader will decide. Mr. Hooper proceeds:

"Messrs. Chenery & Co. went to the public warehouse, and after some conversation with the storekeeper who made the return, in regard to the facts in the case, requested him to go to the Custom House, and consult with the principal clerk, Mr. T. B. Dix, and the warehouse bookkeeper, Mr. H. A. S. D. Payne, both of whom had more experience than the storekeeper in regard to what had been the usual practice in relation to the return of goods deposited in the public warehouse. After hearing the statement of the storekeeper, Mr. Dix expressed the opinion that upon his statement of the facts, in accordance with the usual practice, the return should have been dated the 28th of July, instead of the 26th; also that it would be right for the storekeeper to alter his return so as to make it conform to the facts in the case."

Mr. Hooper's statement in his pamphlet differs somewhat from the quotation above from his report to the Secretary, and I copy that also, as follows :—

"Chenery & Co. came to the Custom House to make their entry, and pay the duty, on the 28th of October. The record of their deposit was dated the *twenty-sixth July*; accordingly the time had passed to make the entry at the old rate of duty. Chenery & Co. said the record was not correct. The Custom House clerk referred to Mr. Dix, as the head of that department, who said they could not go behind the record. Chenery & Co. stated that the date of the deposit should have been Monday, the 28th, and not Saturday, the 26th July."

Mark the passages in italics. The time had passed to make the entry at the old rate of duty — ACCORDING TO THE RECORD made three months before. Dix, "the head of that department," said they could not go behind the record. What then? He directed the date and body of the return to be altered to the 28th. And yet he admits, — all admit it, — that the rum was put into store on the 25th, and that Chenery & Co. withdrew the sugar and molasses on the 26th, having paid the duties, and therefore knew the 28th could not be the date of deposit of any of it; and consequently must also have known that to alter the return as proposed, would be to falsify and not to correct it. He knew, if altered, it would contradict the storekeeper's warehouse receipts and the Inspector's return, which alone should have satisfied him it was right and ought not to be altered. In a word, it was right, and he had all the evidence of it that could possibly be furnished in such a case; evidence which he had no right as an officer to disregard.

I quote further from Mr. Hooper's report :—

"The storekeeper then changed the return by altering the date from the 25th to the 28th July; and in the body of the return, so that instead of stating the deposit in warehouse to be on the 25th July, it was stated to have been received on the 25th and 28th July: thereby naming the first and last days, as had been customary in such returns, viz., the date of the receipt of the first package in warehouse as the first; and for the other, the last day on which any of the goods were received in the warehouse. Messrs. Chenery & Co. entered the rum on the 28th of October, after this correction of the return had been made, and paid the duty at the rate of fifty-nine cents a gallon."

Mr. Hooper means to say that some of the goods were received in warehouse on the 28th July, — "thereby naming the first and last days," — the 28th being the last day named. In another part of his report he says, "The rum was put into the store on the 25th July." Of course, then, the rum was not received in the warehouse on the 28th. And of the sugar and molasses, he says, "The next day, the 26th July, Messrs. Chenery & Co. sold the sugar and molasses at auction, and immediately entered it out, paid the duty, and received the delivery permit." As this was all the cargo, he must have known that none of it could have been "received in warehouse" on the 28th. The truth is there was no "first and last days" of warehousing. It was all warehoused, if ever, on the 25th, as the warehouse receipts show.

We now come to the theory, entirely original, as I have said it is, upon which this pretended deposit on the 28th, and pretended "correction" of the date and body of the return were made. Mr. Hooper thus gives the key to it in his report: "When, after having been entered for warehousing, any portion of the goods specified in the

entry is entered out before it has been sent to the warehouse, as was the case in this transaction of Chenery & Co., *the time when the delivery permit is received by the storekeeper, is considered the final date of deposit*” in warehouse. The answers by officers of the Customs in New York, Boston, Philadelphia, and Portland, already copied, abundantly prove that there is not a particle of truth in the statement. But that made no difference. It was discovered that Chenery & Co. did not present their order for the sugar and molasses till Monday, the 28th of July, when the storekeeper delivered it and made the following return on the order and sent it to the Custom House: viz., “Delivered July 28th, 1862, outside,—J. P. Paine, Storekeeper.” This happened to be just three months from the 28th of October, and the idea was conceived by somebody of treating that, not as an *actual delivery out* of warehouse, as it was, but as a *constructive deposit* in warehouse, and as the *date of deposit* of the *whole cargo*. When I first called Mr. Dix to an account for his agency in the matter, he said it was a deposit in warehouse, though he knew perfectly well it was a delivery out, as he admitted in a moment after, when he learned that I knew the facts. He confessed it was one thing to receive goods to secure the duties, and quite a different thing to deliver them after the duties had been paid.

Why was not the sugar and molasses delivered the same day it was withdrawn? Simply because Chenery & Co. did not choose to go immediately and present their order and take it. This they could do when they pleased; in one, two, ten or twenty days, or longer. The order for the rum, which Chenery & Co. withdrew on the 28th of October, they held till the 20th of the following March. Of course they could have held the order for the delivery of the sugar and molasses till the same time, if they had chosen to; and if they had, the 20th of March would have been the last day of deposit, and considered the date of deposit for the whole cargo, according to Mr. Hooper’s theory and custom; and, as “the privilege of entry for consumption at the old rate of duty expired three months after the deposit,” according to his law, the rum might have been withdrawn without an increase of duty, on the 20th of the following June. This follows, necessarily, from his theory and law. If Mr. Hooper is right, importers have the power to determine the time when their cargoes shall be considered as deposited, and consequently the power to extend at pleasure the time within which they may withdraw all goods remaining in warehouse, without an increase of duty. And this explains why he held with such tenacity and utter disregard of truth to the old law. The law giving three months only from *importation* would have swept away all these miserable fabrications, foundation, superstructure, and all, in a moment.

Such was the way the conclusion was reached of considering the 28th of July as the date of deposit for the whole cargo. But the law of the 14th of July, 1862, was still found to be in the way, as Chenery & Co. must state in their withdrawal entry, *when* the importation was made; and they were allowed to state that the rum was imported on the 28th of July, instead of the 24th, as follows:—

“*Withdrawal entry for consumption, Port of original importation.*

“CUSTOM HOUSE, Boston, 28th Oct. 1862.

“Entry of merchandise intended to be withdrawn from warehouse, by

Chenery & Co., which was imported into this district on the *twenty-eighth* July, 1862, by them in the Wm. Moore.— Master, from St. Croix.

“Forty-eight Puns. Rum, 59 cts.

(Signed)

“CHENERY & Co., per. S. FULLER, Att’y.”

This contradicted every previous statement, and especially the two statements of Chenery & Co. themselves, that the importation was on the 24th; one made on their withdrawal entry of the sugar and molasses, and the other on their original entry for warehousing, and sworn to; as the *altered*, or “corrected” storekeeper’s return contradicted all the rest of the record as to the date of deposit. Such are the facts.

If this does not exhibit gross official misconduct on the part of Mr. Dix, I confess I do not know what official misconduct is. He knew the increased duty of 59 cts. a gallon, or \$2,993.64, was clearly due under the law of July 14th 1862, and had been due for four days. The papers all showed that it was, as he admitted, and that was what caused the whole difficulty. Under the pretence of *correcting* the storekeeper’s return, it was altered by his direction. He must have known, as I have said, that it was right before it was altered, and would be wrong afterwards. And moreover, whether right or wrong, it was a mere pretence that it had, or could have, anything to do with the question. Nor could the deposit of part of the cargo on the 28th, even if part had been deposited then, have anything to do with it, as he must also have known. All this is clearly implied in his own deposition enclosed by Mr. Hooper in his report to the Secretary. The following is an extract from it:—

“BOSTON, Sept. 7th, 1863.

“I, T. Brown Dix, of Boston, in the Commonwealth of Massachusetts, have been in the Boston Custom House since Dec. 1st, 1846, and have during the whole period been principal storage clerk, and I know that it has been customary to regard an entry of goods as indivisible, although made up of different lots of goods, and that the date taken for the purpose of charging storage was the date of the deposit of the first package. While under the Act of 1861 the date of the deposit of the last package was taken as the date from which to compute the three months during which goods were allowed to remain in the warehouse without the payment of additional duties.”

“*While under the Act of 1861.*” What if that was the practice under the law of 1861, which allowed three months from the date of *deposit* without an increase of duty? What had that to do with the question? How was it under the law of July 14th, 1862, under which Chenery & Co.’s rum was withdrawn, and which subjected goods to double duty if not withdrawn within three months from *importation*? Mr. Dix does not tell us. He does not even allude to that law. He is as silent as the grave upon the only law which had the least relation to the question. But by telling us what the practice was while under the law of 1861, which had been repealed, and saying nothing about the practice under the law of 1862, which was then in force, he clearly implied that the practice was different under the law of 1862. If it had not been, can anybody doubt that he would have said so? This deposition is an implied *confession* of everything I have alleged. Nothing can be more transparent than this whole transaction. Mr. Dix did not try to execute the law, but evaded its execution, for the purpose of aiding to evade the payment of \$2,993.64. This was a gross violation of official duty. Why, dur-

ing those long hours occupying parts of two days, if he intended nothing wrong, was not something said to Mr. Hanscom, the Deputy, before undertaking to direct the alteration of returns and dates which had been made more than three months before in the regular and usual course of business? But not a word to him or the collector.

Mr. Hooper's report was a semi-official one, and is just as indefensible as the conduct of Mr. Dix. Nothing can be more inexcusable than his perversion of the law under the circumstances. While he justifies Mr. Dix throughout, he cannot pretend, and does not, that he was unacquainted with the facts. I showed him all the papers at the Custom House. This I know, and he admits he received copies of them which I sent to the Secretary. And his report shows that he knew what the facts were.

It is not true that when he called on me with the Secretary's letter, I declined to confer with him. I conferred with him fully, and as long as he desired. He remarked when he left me, that he would prepare his report, and show it to me before he forwarded it. This he did not do, but closed it with the statement, that "the Collector declined to confer with him on the subject," which, as I have said, is utterly untrue.

Mr. Chase never remarked to me in Mr. Hooper's presence, or out of it, that "on my statement of the facts, he could not charge Mr. Dix with any thing beyond an error of judgment." I heard nothing like that. But I did hear him say that Mr. Dix could be excused, if at all, only on the ground of the custom which Mr. Hooper claimed to exist, but added that he was satisfied there was no such custom, and if there had been, and I had known it, it would have been good cause for removing me. He closed a very thorough re-hearing of the case at the time referred to, by approving of the removal, and dictating a letter to General Dix in my hearing to that effect.

There is only one sentence in General Dix's letter to Mr. Hooper, that I shall notice. It is this; — "In the absence of Mr. Chase, the change, (the removal of his brother), was sanctioned by the Assistant Secretary, *without the knowledge of the former.*" To this I have a very short reply to make. I did not remove Mr. Dix without first obtaining the approval of Mr. Chase. Mr. Tuck, the Naval Officer, happened to be going to Washington just after I learned the facts, and I sent all the papers which I have copied by him, with a request that he would see the Secretary and explain them, and obtain his opinion. Mr. Tuck came back and told me the Secretary thought the case a clear one, and that the removal should be made. I then made it, and it was immediately approved by the Assistant Secretary, in the absence of Mr. Chase.

THE BAGGAGE CASE.

It will be unnecessary to repeat Mr. Hooper's statements. They will be remembered. The following is part of Article 238 of the General Regulations of 1857 :

"On the arrival of any steamer from Europe, the Collector shall detail an experienced entry clerk, who, with a similar clerk, to be designated by the Naval Officer, and an Appraiser or Examiner, to be detailed by the Appraiser, shall, together with the Inspector on board, examine all the passengers' baggage, appraise the dutiable value of the same, and assess the duty, if any."

The following is Article 239 :

“ Should any passenger's baggage contain dutiable articles to the value of over \$500, it will be sent to the Appraisers' store for regular entry and appraisal, as provided by law.”

On the 6th of August, 1864, the Department issued a letter to Collectors, of which the following is an extract : —

“ The examination of travellers' baggage will, under any circumstances, be a very unpleasant and annoying duty ; nevertheless *it must be performed.*”

In another later circular, the Department, by way of prompting to more vigilance, said : —

“ He who has not resolution and high sense of duty enough to overhaul the baggage even of ladies, who are often smugglers (this is the language of the Department), is unfit for his place.”

Such were my instructions.

On the 19th of August, 1864, a gentleman and three ladies arrived in the steamer from Europe. The gentleman made a written declaration that their trunks contained “ clothing for three ladies and one gentleman,” which he handed to the officer (Mr. Hanscom) whose duty it was to receive it. It was prepared before the arrival of the vessel, and, as was apparent from what followed, with the expectation that it would be accepted, and the trunks allowed to pass without examination. The officer inquired whether the trunks contained any *dutiable* articles, or anything besides *clothing in use*, and was told that they *did not*. The trunks were then passed on to another officer (Mr. Upham), for examination. He soon found a piece of new carpeting and other articles that were dutiable. The gentleman then said, “ Do you examine baggage so particularly as that ?” When informed that the instructions were to examine sufficiently to ascertain whether there were any dutiable articles, he then said, “ *there is a considerable quantity of new goods,*” and requested that the trunks might be sent to the Appraiser's and opened there, as he wanted them handled carefully. *This request was at once complied with.*

This is what the two officers told me. I did not know that the trunks went to the house of the owners. They should have gone directly to the Appraiser's store. If I did anything in this respect, it was simply to have the orders previously and properly given by Mr. Upham and one of the deputies executed. The gentleman passenger came to my office with Mr. Upham after the difficulty at the vessel. After some conversation on the subject, I declined to interfere till I learned the facts from the Appraiser's report. Assistant Appraiser Darrah made the examination, and certified to \$568.85 of dutiable goods, at the foreign value, and to \$219.79 duties upon them. His report was sent in to me while Mr. Hooper was with me in the Collector's office, when the circumstances related in my first pamphlet occurred.

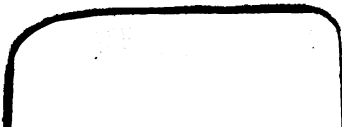
Mr. Hooper admits that when I learned that the appraisal and assessment of duties had been made, I gave directions at once for the delivery of the baggage upon his agreement to pay what should be found to be due upon it. There was no unnecessary delay by my order, nor to my knowledge. I never saw the trunks, nor the clothing, nor the *new goods*, but was governed entirely by the Apprais-

er's report. The result showed that there was good reason for making the examination. Mr. Hooper has never denied that the articles reported by the Appraiser as dutiable, were so; nor did he ever offer to pay the duty to me, nor did the owners make that offer to anybody, so far as I know. I supposed he or they would call and make payment, as was their duty: But they did not, and it was allowed to remain among the unsettled matters till a short time before I left the Collector's office, when I sent a note to the owners, requesting the payment of the duty. The request was not complied with, and they still owe the Government \$219.79.

If the owners had presented a list of the dutiable articles, it might have been settled at once, though it would then have been necessary to send them to the Appraiser's for regular entry, as the amount exceeded \$500.

This they ought to have done. They had a right to bring all the dutiable goods in their baggage they pleased, but the law required that at the time of entry, they should "mention them to the Collector." I did nothing but endeavor to execute the law in the mildest manner possible, and in obedience to instructions. Certainly the Department was quite right in saying that this would "be a very unpleasant and annoying duty." It was especially so in this case. I never complained of the Secretary except for ingratitude and want of appreciation of our efforts at the Custom House to obey his positive and repeated instructions.

Mr. Hooper says, "the owner went with him (Upham) to the Custom House, to pay any duty to which they (the goods) might be subject;" that he was "ready to pay any duties." If this was so, why did he not pay when the amount was ascertained by the appraiser? The agreement, which I asked Mr. Hooper to sign, he says "was a guarantee for the payment of any sums found to be due in connection with the baggage." He knew that that agreement was on the Appraiser's warrant which contained the assessment of the duties, and that \$219.79 in duties was found to be due. Why did he not call the next day, or soon, and pay this sum? Having signed such an agreement, he knew it was his duty to do that, or to see that the owner did it. It was unusual to deliver dutiable goods till the duties were paid. I delivered them on the agreement of Mr. Hooper to pay, and he knows very well, that if he or the owner had called and paid the duty assessed by the Appraiser, that would have ended the matter. And the fact that this was not done, as it should have been, does not indicate that the owner was so very "ready to pay." I repeat, no offer to pay the duty was ever made to me, nor to the Deputies or other officers authorized to receive it, as I understood. If there had been a desire to pay the assessed duty, there would have been no difficulty in finding an officer to receive it. There is some mistake about this. The anxiety to pay was not as great as Mr. Hooper imagines. It is not too late, even now, to pay the amount of duties honestly and lawfully due the Government. There were five trunks filled with new goods packed in Paris just before they sailed, as Mr. Upham so late as yesterday told me, and it is not denied by Mr. Hooper that the owners told Mr. Hanscom they contained no dutiable articles — nothing but clothing in use.



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